

Thomas-Jensen
Affirmation
(redacted)

Exhibit # 35

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF NEW YORK; STATE OF CALIFORNIA; STATE OF ILLINOIS; STATE OF RHODE ISLAND; STATE OF NEW JERSEY; COMMONWEALTH OF MASSACHUSETTS; STATE OF ARIZONA; STATE OF COLORADO; STATE OF CONNECTICUT; STATE OF DELAWARE; THE DISTRICT OF COLUMBIA; STATE OF HAWAI'I; STATE OF MAINE; STATE OF MARYLAND; STATE OF MICHIGAN; STATE OF MINNESOTA; STATE OF NEVADA; STATE OF NORTH CAROLINA; STATE OF NEW MEXICO; STATE OF OREGON; STATE OF VERMONT STATE OF WASHINGTON; STATE OF WISCONSIN,

Plaintiffs,

v.

DONALD TRUMP, IN HIS OFFICIAL CAPACITY AS PRESIDENT OF THE UNITED STATES; U.S. OFFICE OF MANAGEMENT AND BUDGET; MATTHEW J. VAETH, IN HIS OFFICIAL CAPACITY AS ACTING DIRECTOR OF THE U.S. OFFICE OF MANAGEMENT AND BUDGET; U.S. DEPARTMENT OF THE TREASURY; SCOTT BESSENT, IN HIS OFFICIAL CAPACITY AS SECRETARY OF THE TREASURY; PATRICIA COLLINS IN HER OFFICIAL CAPACITY AS TREASURER OF THE U.S.; U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; DOROTHY A. FINK, M.D., IN HER OFFICIAL CAPACITY AS ACTING SECRETARY OF HEALTH AND HUMAN SERVICES; U.S. DEPARTMENT OF EDUCATION; DENISE CARTER, IN HER OFFICIAL CAPACITY AS ACTING SECRETARY OF EDUCATION; U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY; CAMERON HAMILTON, IN HIS OFFICIAL CAPACITY AS ACTING ADMINISTRATOR OF THE U.S. FEDERAL EMERGENCY MANAGEMENT

C.A. No. 25-cv-39-JJM-PAS

AGENCY; U.S. DEPARTMENT OF TRANSPORTATION; JUDITH KALETA, IN HER OFFICIAL CAPACITY AS ACTING SECRETARY OF TRANSPORTATION; U.S. DEPARTMENT OF LABOR; VINCE MICONE, IN HIS OFFICIAL CAPACITY AS ACTING SECRETARY OF LABOR; U.S. DEPARTMENT OF ENERGY; INGRID KOLB, IN HER OFFICIAL CAPACITY AS ACTING SECRETARY OF THE U.S. DEPARTMENT OF ENERGY; U.S. ENVIRONMENTAL PROTECTION AGENCY; JAMES PAYNE, IN HIS OFFICIAL CAPACITY AS ACTING ADMINISTRATOR OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY; U.S. DEPARTMENT OF HOMELAND SECURITY; KRISTI NOEM, IN HER CAPACITY AS SECRETARY OF THE U.S. DEPARTMENT OF HOMELAND SECURITY; U.S. DEPARTMENT OF JUSTICE; JAMES R. McHENRY III, IN HIS OFFICIAL CAPACITY AS ACTING ATTORNEY GENERAL OF THE U.S. DEPARTMENT OF JUSTICE; THE NATIONAL SCIENCE FOUNDATION and DR. SETHURAMAN PANCHANATHAN, IN HIS CAPACITY AS DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION,

Defendants.

DECLARATION OF ERIC LAU

I, Eric Lau, declare as follows:

1. I am a resident of the State of California. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.
2. I am currently employed by the California State Water Resources Control Board (Water Board) as Acting Deputy Director of the Division of Administrative Services.

3. The Water Board is responsible for ensuring the quality of California's surface, coastal, or ground waters and the allocation of surface water rights.

4. As the Water Board Acting Deputy Director of the Division of Administrative Services, I am responsible for the application, budgeting, receipt, and financial reporting of federal funding.

5. Between 2021 and the present, the Water Board applied for and received the following federal grants:

- 2022 Water Quality Management Plan (205j – Phase 36)
- 2023 Water Quality Management Plan (205j – Phase 37)
- 2024 Water Quality Management Plan (205j – Phase 38)
- Clean Water State Revolving Fund (CWSRF) Infrastructure Investment and Jobs Act
- Bipartisan Infrastructure Law (IIJA/BIL) General Supplemental Grant Federal
Fiscal Year (FFY) 2022
- CWSRF IIJA/BIL General Supplemental Grant FFY 2023
- CWSRF SRF IIJA/BIL General Supplemental Grant FFY 2024
- Drinking Water State Revolving Fund (DWSRF) IIJA/BIL General Supplemental
Grant FFY 2022
- DWSRF IIJA/BIL General Supplemental Grant FFY 2023
- DWSRF IIJA/BIL General Supplemental Grant FFY 2024
- DWSRF IIJA/BIL Emerging Contaminants Grant FFY 2022
- DWSRF IIJA/BIL Emerging Contaminants Grant FFY 2023
- DWSRF IIJA/BIL Emerging Contaminants Grant FFY 2024
- DWSRF IIJA/BIL Lead Service Line Replacement Grant FFY 2022

- DWSRF IJJA/BIL Lead Service Line Replacement Grant FFY 2023
- BIL Assistance for Small & Disadvantaged Communities (Emerging Contaminants) FFY 2022 & 2023
- WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL (Emerging Contaminants) FFY 2024
- Overflow and Stormwater Grant Program FFY 2022
- Overflow and Stormwater Grant Program FFY 2023

I understand that the funds for these grant programs were appropriated by Congress as part of the Infrastructure Investment and Jobs Act (P.L. 117-58) (“IIJA”, another name for the BIL) and Inflation Reduction Act of 2022 (P.L. 117-169) (“IRA”).

6. True and accurate copies of the final grant award documents are attached hereto as Exhibit A, each reflecting the date these award documents were executed. True and accurate copies of the terms and conditions applicable to those grants are included in those award documents.

7. The table below lists the project period and federal award amount for each of the relevant grants.

Program Title/Purpose of Funding	Project Period		Federal Award Amount
	Begin	End	
2022 Water Quality Management Plan (205j – Phase 36)	10/1/22	9/30/27	\$2,208,805
2023 Water Quality Management Plan (205j – Phase 37)	10/1/23	9/30/28	\$2,202,000
2024 Water Quality Management Plan (205j – Phase 38)	10/1/24	9/30/29	\$2,387,000
CWSRF IJJA/BIL General Supplemental Grant FFY 2022	7/1/22	6/30/27	\$127,290,000

CWSRF I/JA/BIL General Supplemental Grant FFY 2023	7/1/23	6/30/28	\$149,075,000
CWSRF I/JA/BIL General Supplemental Grant FFY 2024	7/1/24	6/30/29	\$162,647,000
DWSRF I/JA/BIL General Supplemental Grant FFY 2022	7/1/22	6/30/26	\$158,733,000
DWSRF I/JA/BIL General Supplemental Grant FFY 2023	7/1/23	6/30/28	\$227,150,000
DWSRF I/JA/BIL General Supplemental Grant FFY 2024	7/1/24	6/30/29	\$247,974,000
DWSRF I/JA/BIL Emerging Contaminants Grant FFY 2022	7/1/22	6/30/27	\$73,336,000
DWSRF I/JA/BIL Emerging Contaminants Grant FFY 2023	7/1/23	6/30/28	\$97,636,000
DWSRF I/JA/BIL Emerging Contaminants Grant FFY 2024	7/1/24	6/30/29	\$97,636,000
DWSRF I/JA/BIL Lead Service Line Replacement Grant FFY 2022	7/1/22	6/30/27	\$250,107,000
DWSRF I/JA/BIL Lead Service Line Replacement Grant FFY 2023	7/1/23	6/30/28	\$28,650,000
BIL Assistance for Small & Disadvantaged Communities (Emerging Contaminants) FFY 2022 & 2023	7/1/23	6/30/28	\$169,115,000
WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL (Emerging Contaminants) FFY 2024	10/1/24	9/30/30	\$82,961,000
Overflow and Stormwater Grant Program FFY 2022	8/18/22	8/17/26	\$7,429,220
Overflow and Stormwater Grant Program FFY 2023	7/1/23	6/30/27	\$9,520,780

8. The DWSRF and CWSRF provide affordable loans and principal forgiveness to eligible recipients for water projects that address the most serious risks to human health and ensure clean and available water for a variety of beneficial uses.

9. The federal Clean Water Act (CWA) established the CWSRF program amongst all States to finance the protection and improvement of water quality. The CWSRF program has protected and promoted the health, safety, and welfare of Californians since 1989. Many of the projects funded by the CWSRF program address wastewater discharge violations or enforcement

orders issued by the California Regional Water Boards. Every project is directly related to protecting or improving public health, water quality, or both. Eligible projects generally include the planning, design and construction of wastewater and water recycling treatment facilities and related systems. Eligible recipients generally include local governments and municipalities (e.g. cities, towns, counties, special districts, etc.)

10. The federal Safe Drinking Water Act (SDWA) established the DWSRF program amongst all States to finance improvements to public water systems to address the most serious threats to public health in drinking water, to assist public water systems in achieving compliance with the SDWA, and to assist public water systems most in need on a per-household basis achieve compliance with safe drinking water standards. Eligible projects generally include the planning, design and construction of drinking water facilities, such as drinking water storage, distribution, treatment and source water supply facilities. Eligible recipients generally include public water systems owned by local governments (e.g. cities, towns, counties, special districts, etc.), school districts, corporations, partnerships, trusts and sole proprietors.

The Drinking Water State Revolving Fund also supports the State Water Board's regulatory oversight of public water systems and their compliance with the SDWA and related drinking water standards. This regulatory oversight of public water systems has been delegated to the State Water Board by the United States Environmental Protection Agency (USEPA). The DWSRF also provides technical assistance to public water systems, including technical assistance to help public water systems achieve and maintain technical, managerial and financial capacity to own, operate, and maintain their drinking water systems.

Both the DWSRF and CWSRF have been capitalized annually by federal appropriations, provided via federal grants from the USEPA, since the beginning of the programs. This federal

capitalization funds loans and principal forgiveness to eligible recipients for eligible projects, where the loans are repaid to the DWSRF and CWSRF, respectively, with below-market interest rates for future lending. The principal forgiveness is provided under the authority of federal capitalization and is generally prioritized for small disadvantaged communities by the State Water Board, as they frequently lack the financial capacity to afford their critical drinking water or clean water projects.

The DWSRF and CWSRF capitalization provided under the IIJA/BIL has contributed to the mission and purpose of the programs and has been assisting the State Water Board in funding eligible projects where demand currently exceeds funding capacity. Based on its most recently adopted CWSRF and DWSRF Intended Use Plans, the State Water Board has approximately \$3.5 billion in funding requests from over 450 applicants whose projects are eligible for partial or full IIJA/BIL funding.

Separate from the DWSRF and CWSRF, additional IIJA/BIL federal grant funding has been awarded to the State Water Board for overflow stormwater projects and to also address emerging contaminants, namely perfluoroalkyl and polyfluoroalkyl (PFAS) compounds and their growing threat to public health. These IIJA/BIL grant funds are being administered in tandem with the IIJA/BIL grant funds provided under the DWSRF and CWSRF.

11. The DWSRF and CWSRF IIJA/BIL General Supplemental Grants are additional capitalization for California's DWSRF and CWSRF and may be used for any eligible purpose of these programs. The DWSRF IIJA/BIL Emerging Contaminant Grants are additional federal capitalization for California's DWSRF for projects that address emerging contaminants, namely projects addressing PFAS compounds and their growing threat to public health. The DWSRF IIJA/BIL Lead Service Line Replacement Grants also provide federal capitalization to

California's DWSRF for projects that remove and replace lead service line infrastructure to mitigate lead contamination in drinking water and its risk to public health. In general, the additional DWSRF and CWSRF IIJA/BIL grants have increased the lending capacity of the DWSRF and CWSRF to fund drinking water and clean water projects via loans and principal forgiveness to help communities ensure compliance with the CWA, SDWA and other safe drinking water and environmental standards. The DWSRF and CWSRF IIJA/BIL capitalization helps the State Water Board achieves its mission "to preserve, enhance, and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations." This capitalization also supports California's human right to water (section 106.3 of the Water Code), which declares the established policy of the State that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes."

The State Water Board has executed funding agreements with eligible recipients for their design and construction of eligible drinking water, wastewater and water recycling infrastructure and those agreements are currently encumbered under the eligible use of the DWSRF and CWSRF IIJA/BIL grants. The local funding recipients engage their own contractors and incur their own costs for the design and construction of these water facilities with the expectation under a binding agreement that the State Water Board will reimburse them routinely from the DWSRF and CWSRF. Any suspension of the State Water Board's ability to disburse federal funding provided under these DWSRF and CWSRF IIJA/BIL grants risks non-payment or delay in payment to its funding recipients, thereby risking non-payment or delays in payment to contractors by the funding recipient, or possible cash flow/fiscal crisis for the funding recipient,

and possible suspension of the design and construction of this critical water infrastructure.

The DWSRF IIJA/BIL grants are currently funding staff and related operations at the State Water Board that conduct regulatory oversight of California's public water systems and help ensure California's compliance with safe drinking water standards, including the SDWA. This includes California's work on removing lead from all services lines, addressing the widespread impacts of PFAS compounds, and investigations into other contaminants of emerging concern like manganese. A suspension in the payment of federal funds from the DWSRF IIJA/BIL grants risks the State Water Board's ability to finance these staff positions and their critical regulatory mission.

12. The DWSRF and CWSRF IIJA/BIL General Supplemental Grants are currently funding staff and related operations for the administration of the DWSRF and CWSRF and these IIJA/BIL grant funds. These positions are conducting project management and oversight of drinking water and clean water projects currently underway, as well as reviewing new funding applications for projects that address water quality compliance and threats to public health. These positions are also performing agreement servicing and the processing of disbursement requests to funding recipients to reimburse their costs already incurred for the design and construction of these water facilities. A suspension in the payment of federal funds from the DWSRF and CWSRF IIJA/BIL General Supplemental Grants risks the State Water Board's ability to finance these positions and their work that is obligated to be performed under a binding commitment with existing funding recipients.

13. I am informed and believe that other non-profit agencies in California who work on Water Boards compliance and outreach activities have also experienced impacts from the federal funding freeze related to grants that could reasonably impact the Water Boards. First is

the Santa Monica Bay Restoration Commission (Commission) which relies on work that is federally funded from BIL. The Commission accepts the federal funds directly and uses a portion of this funding for two Water Board staff that provide administrative support for the commission. They are paid through the Santa Monica Bay Restoration Account in the General Fund established by SB 1381. Second is Tellus contractors that assist both the UST Cleanup Program and the Cleanup Fund are funded through a federal contract. Tellus directly supports annual personnel costs (PY) across a range of Water Boards programs, as follows:

- 1 PY in Financial Assistance - Supporting the Orphan Site Cleanup Fund (OSCF) grant program
- 5-6 PY in Water Quality – Supporting regulation development, program management activities, case management on State Lead projects, and the Stalled Case Initiative
- 3 PY in Regions 3, 4 & 8 – Supporting Implementation of the State Water Board’s Low-Threat UST Case Closure Policy and Implementation Plan.
- 2 PY in the Office of Enforcement – Supporting the Stalled Case Initiative.

14. I have reviewed President Trump’s executive order titled “Unleashing American Energy,” dated January 20, 2025 (“Energy EO”). I first became aware of the Energy EO on Wednesday January 22, 2025. It is my understanding that Section 7 of the Energy EO orders all agencies to “immediately pause the disbursement of funds appropriated through the Inflation Reduction Act of 2022 (Public Law 117-169) or the Infrastructure Investment and Jobs Act (Public Law 117-58).” I understand that the funds and disbursements targeted in the Energy EO include disbursements to CARB under our current federal funding sources, described above.

15. I have reviewed the Memorandum for Heads of Executive Departments and Agencies, M-25-13, dated January 27, 2025, issued by the Executive Office of the President of

the United States, Office of Management and Budget, Matthew J. Vaeth, Acting Director, regarding “Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs” (“OMB Memo”). I first became aware of the OMB Memo on January 28, 2025. It is my understanding that the OMB Memo requires all federal agencies to “pause” all activities related to disbursement of all federal financial assistance, which I understand would include disbursements to sub-grant recipients as well as disbursements to reimburse personnel services incurred.


16. The State Water Board’s budget and its Intended Use Plans with the USEPA for this year has relied on funding from the DWSRF IIJA/BIL General Supplemental, Lead Service Line Replacement and Emerging Contaminant Grants as well as the CWSRF IIJA/BIL General Supplemental Grants, and the State Water Board has designed programs, allocated funding for staffing, and has encumbered funds under executed agreements with funding recipients for the design and construction of eligible water projects based on the anticipated disbursement of the federal funding promised in these obligated awards.

The State Water Board’s budget and Intended Use Plans with USEPA for this year has also relied upon these grants to provide principal forgiveness, namely for small disadvantaged communities and other policy objectives, to ensure an affordable and achievable water project to address critical public health and water quality priorities within these communities.

The State Water Board’s budget this year is also relying upon the DWSRF and CWSRF IIJA/BIL grants to fund staff and operations that provide for the administration of these programs. In addition the DWSRF IIJA/BIL grants are funding staff positions and operations for the regulatory oversight of California’s public water systems under USEPA’s delegated authority to California and the Safe Drinking Water Act.

The State Water Board's budget for this year has also relied on the funding from the WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL (Emerging Contaminants) Grant, BIL Assistance for Small & Disadvantaged Communities (Emerging Contaminants) Grant, and the Overflow Stormwater Grants, and the State Water Board has designed programs and has encumbered funds under executed agreements with eligible recipients for the design and construction of eligible water projects based on the anticipated disbursement of the federal funding promised in these obligated awards.

17. The Water Board has already been unable to access disbursements to which it is entitled under the BIL as noted below.

Account ID / Grant Number	Grant Name
	WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL (Emerging Contaminants) Grant FFY 2024
	BIL Assistance for Small & Disadvantaged Communities (Emerging Contaminants) Grant FFY 2022 and 2023
	CWSRF IIJA/BIL General Supplemental Grant FFY 2024
	CWSRF IIJA/BIL General Supplemental Grant FFY 2023
	DWSRF IIJA/BIL General Supplemental FFY 2024
	DWSRF IIJA/BIL General Supplemental FFY 2022
	DWSRF IIJA/BIL General Supplemental FFY 2023
	DWSRF IIJA/BIL Emerging Contaminants FFY 2024
	DWSRF IIJA/BIL Emerging Contaminants FFY 2022
	DWSRF IIJA/BIL Emerging Contaminants FFY 2023
	DWSRF IIJA/BIL Lead Service Line Replacement FFY 2022
	DWSRF IIJA/BIL Lead Service Line Replacement FFY 2023

The CWSRF IIJA/BIL General Supplemental Grant FFY 2022 is not listed above because it has already been fully disbursed by the State Water Board to CWSRF funding recipients. On January 31, 2025, at approximately 8:00 AM, I directed staff with access to the Automated Standard Application for Payments (ASAP) the federal government's electronic system for

transferring money to grant recipients, including the Water Board, to log into review the status of grants. When they attempted to retrieve the accounts of the Water Board's federal IJJA grants, they informed me that they received the following error message: "ERROR 839: No accounts found matching criteria."

18. A true and correct screenshot of the ASAP on January 31, 2025 is reproduced below. This screen capture shows my attempt to retrieve account 4897T15801, corresponding to the Water Board's 4897T15801 - WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL under IJJA/IRA.

The screenshot shows a web browser window with the URL <https://www.asap.gov/ASAPGov/>. The page header includes the ASAP logo and the text "David Jones Working For 0675297". Below the header is a navigation bar with links: Home, Enrollments, Payment Requests, Agency Functions, Reports, Inquiries, Help, and Log Off. The main content area is titled "Initiate Payment Requests (PR)" and "Step 1 of 4 (Continued) Retrieve Accounts". An error message is displayed: "ERROR 839: No accounts found matching criteria. Enter one or more of the following". Below the error message is a form with the following fields: "Recipient ID : 0675297", "ALC / Region : --ALL--" (a dropdown menu), and "Account ID (or partial) : 4897t15801". At the bottom of the form are two buttons: "Continue" and "Help for this Step".

19. In fact, of the Water Board's current 45 federal grants with balances available, only 31 were visible in ASAP. The other 12 accounts could not be found in the system, even though they appeared on the Water Board's Account Balance Inquiry report in ASAP. In the past, when my office has seen this message, it has meant that the federal government has blocked the Water Board from completing any drawdowns of grant funds.

20. My Accounting Office logged into ASAP on January 31, 2025 in order to initiate payment requests to USEPA to draw down funds under the various DWSRF and CWSRF IJJA/BIL General Supplemental, Emerging Contaminant and Lead Service Line Replacement Grants. This payment requests corresponded to permitted expenses the Water Board incurred

under these grants. As of January 31, 2025, these expenses were eligible for reimbursement under the terms of the respective federal assistance agreements, and the Water Board was in compliance with all the terms and conditions relevant for receiving reimbursement.

21. It is my understanding that the balance in these grant accounts corresponded to funds Congress appropriated in the IIJA/BIL for the purpose of carrying out the DWSRF and the CWSRF, which were duly apportioned and obligated to the Water Board.

22. On Monday February 3, 2025, at approximately 9:00 AM, I directed Accounting Office staff with access to the Automated Standard Application for Payments (ASAP), the federal government's electronic system for transferring money to grant recipients, including the Water Board, to log in and review the status of grants. They reported to me that when they attempted to retrieve the accounts of the Water Board's federal IIJA grants, only 2 accounts could not be found in the system, even though they appeared in the Water Boards Account Balance Inquiry in ASAP. These accounts are listed below.

Account ID / Grant Number	Grant Name
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██████████	WIIN Act - Assistance for Small & Disadvantaged Communities Drinking Water Grant Program – BIL (Emerging Contaminants) FFY 2024
██████████	BIL Assistance for Small & Disadvantaged Communities (Emerging Contaminants) FFY 2022 and 2023

23. By the afternoon of Tuesday, February 4, 2025 my Accounting Office staff reported to me that access to the above accounts had been restored.

24. If the Water Board is unable to access obligated funding it will be unable to disburse encumbered funding to recipient communities and water systems, risking financial crisis for recipients, contractors and vendors. The design, construction, and maintenance of critical water facilities will be stalled, risking continued water contamination, supply disruptions and severe threats to public health and the environment. Ultimately, Californians' right to safe, clean,

affordable, and accessible water will be threatened.

25. Stalled payments from the Water Board to recipient communities and water systems also creates a risk of stalled or abandoned projects, which represents a waste of valuable time and resources. Additional funding will also likely be required to bring contractors back to stalled projects.

26. Further, a failure by the Water Board to pay recipient communities and water systems will create community outrage and erode trust in the Water Board's ability to deliver planned financing for projects. Similarly, a failure by the recipient communities and water systems to pay their contractors will erode trust in the recipients as well. Any cashflow disruptions and contract liabilities within local governments and privately owned water systems resulting from further federal funding freezes also risks good standing with their rate payers, good standing in the municipal bond market, and could have adverse consequences for these governments and businesses to successfully operate and maintain their water systems. Such erosion of trust will also reduce or delay investment in this critical water infrastructure and further any existing non-compliance with the federal SDWA and CWA.

27. Any further pause or claw-back in the Water Board's federal funding would also risk a cashflow disruption and fiscal crisis within the DWSRF and CWSRF that would have a systemic effect on all other communities and projects currently being funded within the DWSRF and CWSRF, including delays or non-payment to other funding recipients within the DWSRF and CWSRF. Some of these projects are being constructed in part with CWSRF revenue bond proceeds, which may create negative credit impacts for the State Water Board in the bond market if obligations to construct projects, to repay funds, or otherwise deploy federal bond funds.

Negative credit impacts can reduce in greatly increased costs for subsequent debt issuances by the Water Board.

28. The Water Board is obligated under the terms of the DWSRF and CWSRF federal assistance agreements to make timely and expeditious use of the federal funds within a general 5-year budget period. Any further suspension of the IJJA/BIL funds risk the Water Board not satisfying its obligations to make timely and expeditious use of the federal funds and not meeting federal spending requirements. Any federal funding not disbursed by the end of the budget period risks the Water Board having overcommitted funds, including for small disadvantaged communities. This would require clawing-back funds, including principal forgiveness, from such recipients.

29. I continue to be concerned that the funding will again be delayed or denied because of the lack of clear and unambiguous guidance from the USEPA.

I declare under penalty of perjury that the foregoing is true and correct.


Executed on February 5, 2025, at Sacramento, California.



Eric Lau, Acting Deputy Director of the Division of
Administrative Services for the California State
Water Resources Control Board

Adobe Acrobat Sign Transaction Number: CBJCHBCAABAARhWnsocp6Bh_mfzeqPajotKYnUp0aal5

EXHIBIT A

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 97T11801 MODIFICATION NUMBER: 1 PROGRAM CODE: 4C		DATE OF AWARD 08/16/2024
			TYPE OF ACTION No Cost Amendment		MAILING DATE 08/16/2024
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O Box 1888 Sacramento, CA 95812-1888 EIN: 68-0281986			PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O Box 1888 Sacramento, CA 95812-1888		
PROJECT MANAGER Joshua Ziese P.O. Box 1888 Sacramento, CA 95812-1888 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94104 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES State Water Pollution Control Revolving Fund (CW SRF) - BIL General Supplemental The purpose of this grant is for a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), for the recipient's Clean Water State Revolving Fund program. This assistance amendment deletes the programmatic term and condition (a) on conditional grant approval as the final Intended Use Plan with the resolution number was received from the CA SWRCB. The federal funding in the amount of \$162,647,000.00 and the budget and project period end dates remain the same.					
BUDGET PERIOD 07/01/2024 - 06/30/2029		PROJECT PERIOD 07/01/2024 - 06/30/2029		TOTAL BUDGET PERIOD COST \$ 195,176,400.00	
				TOTAL PROJECT PERIOD COST \$ 195,176,400.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/07/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 162,647,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>					
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer by Veronica Adams - Award Official Delegate					DATE 08/16/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 162,647,000	\$ 0	\$ 162,647,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 32,529,400	\$ 0	\$ 32,529,400
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 195,176,400	\$ 0	\$ 195,176,400

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66,458 - Clean Water State Revolving Fund	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 3,039,041
2. Fringe Benefits	\$ 1,590,330
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 186,641,692
9. Total Direct Charges	\$ 191,271,063
10. Indirect Costs: 84.36 % Base personnel and fringe only	\$ 3,905,337
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %)	\$ 195,176,400
12. Total Approved Assistance Amount	\$ 162,647,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 162,647,000

Administrative Conditions

Term and condition (a) is revised. All other administrative terms and conditions are reiterated.

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtfpc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtfpc-grants@epa.gov within 120 days after the end of the project period.)

The recipient shall identify non-federal, non-recurrent expenditures in Block 12 (Remarks) of the FFR or include the information as an attachment to the FFR on a separate page. The recipient also agrees to include a statement certifying that supplanting did not occur.

Each FFR shall separately account for: (1) All administrative allowance expenditures; and (2) All project assistance expenditures, and (3) Each "set-aside" program.

B. Procurement

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as

described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the “Other” category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled “annual” in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the “Final Report (project completed)” in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

Programmatic Conditions

The programmatic term and condition (a) is deleted. All other programmatic terms and conditions are reiterated.

a. Conditional Grant Approval - DELETED

b. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment</u>	<u>Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
FFY2024	Quarter 4	7/1/24	\$162,647,000

c. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

d. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2024 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

e. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

f. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Clean Water SRF (CWSRF) program. The recipient agrees to use CWSRF funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

Program staff shall attend the annual Council of Infrastructure Authorities (CIFA) national SRF conferences, and EPA sponsored regional meetings and training sessions annually. Staff newly hired and/or assigned to work on state SRF program activities will attend at least one of the SRF training sessions given yearly within one year from date of hire or assignment.

g. SRF Data System and Environmental Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IJJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Title VI of the Clean Water Act (CWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 118-42) (the Consolidated Appropriations Act, 2024), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

h. Annual Reporting

In accordance with 2 CFR 200.329 and 40 CFR 35.3165 the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental results; 4) compliance with the Green Project Reserve requirement; and 5) use of additional subsidization.

i. Program Income from Administrative Fees

Program income earned during the grant period may be used for the specific purposes identified in 2 CFR 200.307 and 2 CFR 1500.8. The recipient agrees to comply with EPA's "Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance" issued October 20, 2005, as amended by subsequent guidance. Specifically, the State has agreed: 1) to maintain records which account for fees separate from the CWSRF project fund, 2) to identify in the IUP all types of fees charged on loans, including the fee rate, and the amount of fees available, and 3) to include in the annual report the types of fees charged on loans, the amount of fees collected, and how those amounts were used.

j. Signage Required

1. Signage Requirements

a.) Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b.) Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on

signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice. **(Attachment 1)**.

k. Green Project Reserve

The recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories. The State's annual open solicitation for projects will be deemed sufficient for these purposes as long as that solicitation was open to all GPR eligible projects in each of the four GPR categories. The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount equal to at least 10 percent of its capitalization grant. The state must document the GPR solicitation process in its IUP and Annual Report and explain, if applicable, why GPR projects totaling at least 10 percent of the capitalization grant were not able to be funded. Any State not meeting the 10 percent requirement must outline in the Annual Report how they will expand their GPR solicitation for the following year.

l. Additional Subsidization

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients or project types as described in section 603(i) of the CWA in the form of forgiveness of principal or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

m. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at www.fgdc.gov.

n. American Iron and Steel (AIS)

(a) *Definitions.* As used in this award term and condition—

(1) "iron and steel products" mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) "steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Title VI of the CWA by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) Request for a Waiver under (b)(2) of this section

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph

(b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Title VI of the CWA.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

o. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

p. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

q. Davis-Bacon Labor Standards

1. Program Applicability

a.) Program Name: Clean Water State Revolving Fund

b.) Statute requiring compliance with Davis-Bacon: Section 602(b)(6) of the Clean Water Act

c.) Activities subject to Davis-Bacon: Treatment works constructed in whole or in part with

assistance made available by a state water pollution control revolving fund authorized under Title VI of the Clean Water Act.

d.) The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland "Anti-Kickback" Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

3. Recipient Responsibilities When Entering Into and Managing Contracts:

a.) Solicitation and Contract Requirements:

i. Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in 29 CFR 1.6 when soliciting bids and awarding contracts.

ii. Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

"By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants."

b.) After Award of Contract:

i. Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in 29 CFR 5.5(a)(1)(iii).

ii. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by 29 CFR 5.6.

4. Recipient Responsibilities When Establishing and Managing Additional Subawards:


a.) Include DBRA Requirements in All Subawards (including Loans): Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients.”

b.) Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in 29 CFR 5.6.

5. The contract clauses set forth in this Term and Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see 29 CFR 5.1), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

—End of Document—

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 98T48001 MODIFICATION NUMBER: 2 PROGRAM CODE: 4C	DATE OF AWARD 12/08/2022	
			TYPE OF ACTION No Cost Amendment		MAILING DATE 12/08/2022
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828		
PROJECT MANAGER Lance Reese 1001 I Street Sacramento, CA 95814-2828 Email: Lance.Reese@waterboards.ca.gov Phone: 916-449-5625		EPA PROJECT OFFICER Juanita Licata 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Licata.Juanita@epa.gov Phone: 415-972-3403		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES State Water Pollution Control Revolving Fund (CW SRF) - BIL Supplemental <p>The purpose of this agreement is for a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), which provides funds for the recipient's Clean Water State Revolving Fund (CWSRF) program.</p> <p>This assistance agreement revises programmatic terms and conditions. The federal funding in the amount of \$127,290,000.00 and the budget and project period remain the same.</p>					
BUDGET PERIOD 07/01/2022 - 06/30/2027	PROJECT PERIOD 07/01/2022 - 06/30/2027	TOTAL BUDGET PERIOD COST \$140,019,000.00	TOTAL PROJECT PERIOD COST \$140,019,000.00		
NOTICE OF AWARD					
<p>Based on your Application dated 07/13/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$0.00. EPA agrees to cost-share 90.91% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$127,290,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature supplied by EPA Award Official Carolyn Truong - Grants Management Officer Veronica Adams - Grants Management Specialist				DATE 12/08/2022	

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$127,290,000	\$0	\$127,290,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$12,729,000	\$0	\$12,729,000
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$140,019,000	\$0	\$140,019,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.458 - Capitalization Grants for Clean Water State Revolving Funds	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$2,756,009
2. Fringe Benefits	\$1,328,397
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$132,415,879
9. Total Direct Charges	\$136,500,285
10. Indirect Costs: 86.15 % Base personnel and fringe only	\$3,518,715
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$140,019,000
12. Total Approved Assistance Amount	\$127,290,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$127,290,000

Administrative Conditions

The general terms and conditions are reiterated. All other administrative terms and conditions included in the previous agreements remain in full force and effect.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

The programmatic terms and conditions (b) and (i) have been revised. All other programmatic terms and conditions included in the previous agreements remain in full force and effect.

b. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). If a grant that was awarded prior to [Insert date of exception approval] is amended to include this term and condition, the recipient is no longer required to comply with the above-cited regulations. For further details on this change, see the notification memo from the Michael Osinski, Director Office of Grants and Debarment dated November 18, 2022 attached to this award.

i. Signage Requirements

a. Building A Better America Emblem: The recipient will ensure that a sign is placed at construction sites supported under this award displaying the official Building A Better America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law." Construction is defined at 40 CFR 33.103 as "erection, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other improvements to real property, and activities in response to a release or a threat of a release of a hazardous substance into the environment, or activities to prevent the introduction of a hazardous substance into a water supply." The sign must be placed at construction sites in an easily

visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The recipient will ensure compliance with the guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at: [https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand\[1\]Guide.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand[1]Guide.pdf)

b. EPA Logo: The recipient will ensure that signage displays the EPA logo along with the official Building A Better America emblem. The EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. The recipient will ensure compliance with the sign specifications provided by the EPA Office of Public Affairs (OPA) available at: [https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced\[1\]epa-assistance-agreement-recipients](https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced[1]epa-assistance-agreement-recipients). As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the recipient should send a request directly to OPA and include the EPA Project Officer in the communication. Instructions for contacting OPA is available on the Using the EPA Seal and Logo page.

c. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Building A Better America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

--End of Document--

Attachment



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

November 18, 2022

OFFICE OF MISSION SUPPORT

MEMORANDUM

SUBJECT: Class Exception from the Clean Water and Drinking Water State Revolving Fund Cash Draw Rules

FROM: Michael Osinski, Director
Office of Grants and Debarment

**MICHAEL
OSINSKI**

Digitally signed by
MICHAEL OSINSKI
Date: 2022.11.18
12:26:46 -05'00'

TO: Jennifer L. McLain, Director
Office of Ground Water and Drinking Water

Andrew D. Sawyers, Director
Office of Wastewater Management

I am responding to your September 22, 2022 request for a class exception from the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and the Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). These regulations specify the rate at which states can draw federal funds in relation to state contribution and have the effect of slowing the rate at which federal funds can be drawn for refinancing projects in the SRFs. In addition to the exception request, the Office of Wastewater Management (OWM) and the Office of Groundwater and Drinking Water (OGWDW) provided detailed background information on the CWSRF and DWSRF regulations and substantial rationale for this class exception in the *Policy and Technical Evaluation for a Permanent Exception to CWSRF and DWSRF Cash Draw Rules*. The purpose of the class exception is to update and modernize the federal cash draw rules for the SRFs. Based on the reasons provided by OWM and OGWDW, I approve the class exception.

BACKGROUND

The CWSRF and DWSRF were established by amendments to the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA), respectively as financial assistance programs to protect and improve water quality and public health. The statutory requirements¹ for timely and expeditious expenditure of all funds in the CWA and SDWA direct states to efficiently use all financial resources in the programs to improve water quality and protect human health. The statutes do not specify cash draw requirements. In promulgating regulations, the CWSRF and DWSRF programs set limits to the rate at which federal funds could be disbursed relative to state match contributions and for refinancing projects. While appropriate in the early years of the programs, these rules now serve as obsolete administrative burdens

¹ 33 U.S.C. §1382(b)(4) and 42 U.S.C. §300j-12(g)(3)

on the Agency's state partners. Over recent decades, the CWSRF and DWSRF programs have adopted appropriate financial metrics to accommodate and conduct fiduciary oversight. This oversight includes EPA Project Officers ensuring that states properly deposit the state match into the fund through the grant award process and annual review. The Intended Use Plan and Annual Review checklists include items for EPA regions to confirm deposit of state match. Furthermore, EPA utilizes metrics such as fund utilization and disbursement ratios to holistically ensure states are disbursing funds in an appropriate and timely and expeditious manner. These metrics look at all sources of funding in an SRF, not only annual federal and state capitalization. The original cash draw rules established at the beginning of the SRF programs serve minimal utility for program oversight.

The class exception will allow states to:

- Draw federal funds at a ratio of 100% for loan disbursement to assistance recipients to cover incurred project costs as long as the state match is deposited into the fund, and
- For a project that was funded through non-SRF municipal debt and is being refinanced by the CWSRF or DWSRF, allow the immediate expenditure of federal funds up to the completed portion of the project.

Modernizing the SRF federal cash draw rules will assist states to manage multiple grants with different state match requirements by no longer requiring states to calculate different cash draw ratios on a grant-by-grant basis and process disbursement requests at different rates based on differing source funding. This will greatly reduce administrative burden and will also reduce the risk of improper payments O related to drawing federal funds at an incorrect rate even though those funds are used to reimburse communities for eligible expenses. States still must deposit state match into the fund and EPA has internal controls to verify that states make such a deposit. Accordingly, EPA will continue to ensure that states continue to meet the key statutory requirement. This class exception will give the SRFs the permanent flexibility to easily adapt to changing state match requirements and manage the sources in their fund in accordance with the industry standard First In, First Out (FIFO). By removing the initial eight quarter refinance draw limitations described in the regulations, states will be able to draw funds in a more timely and expeditious manner and ensure that communities receive the benefits of below market rate financing provided by the SRFs.

ACTION

I have reviewed the request and extensive rationale for a class exception from the CWSRF regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and the DWSRF regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). I agree with OWM and OGWDW that a class exception to the cash draw rules will make the SRFs more efficient at improving water quality and protecting public health, reduce the risk of improper transactions, support the Agency's state partners by reducing administrative burden, and align with the CWA and SDWA directives to use all resources in a timely and expeditious manner. Therefore, as provided at 2 CFR 1500.4(b), I am approving the class exception. This class exception will be in place until EPA can revise the SRF regulations.

Given that this class exception has the effect of a regulatory change, EPA must notify the states that the regulations are no longer applicable. OWM and OGWDW will provide the requisite notification via a memorandum from their respective Division Directors as well as include the following programmatic term and condition in SRF grants:

Amended Cash Draw Proportionality

As of [Insert date of exception approval], recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). If a grant that was awarded prior to [Insert date of exception approval] is amended to include this term and condition, the recipient is no longer required to comply with the above-cited regulations. For further details on this change, see the notification memo from the [Insert Division Directors Names] dated [Insert memo date] attached to this award.

The SRF programs have agreed to work with OGD to add this term and condition to the applicable funding recommendation templates in the Next Generation Grants System (NGGS).

The Office of General Counsel concurs with granting the class exception and the term and condition.

Attachment

cc: Melissa Wise, Office of Grants and Debarment
Kysha Holliday, Office of Grants and Debarment
Wynne Miller, Office of Wastewater Management
Yu-Ting Guilaran, Office of Ground Water and Drinking Water
Raffael Stein, Water Infrastructure Division
Leo Gueriguian, Water Infrastructure Division
Anita Thompkins, Drinking Water Infrastructure Development Division
Cindy Simbanin, Drinking Water Infrastructure Development Division
Michael Deane, Clean Water State Revolving Fund Branch
Nick Chamberlain, Water Finance Branch
Kelly Tucker, Clean Water State Revolving Fund
Josh Amaris, Clean Water State Revolving Fund
Mark Mylin, Clean Water State Revolving Fund
Howard E. Rubin, Drinking Water State Revolving Fund
Brad Raszewski, Drinking Water State Revolving Fund
Tracey Miller, Office of Water
Joanne Hogan, Office of General Counsel
Meghan Kelly, Office of General Counsel
Wayne Taylor, Research Triangle Park Finance Center
Grants Management Officers

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 98T77901 MODIFICATION NUMBER: 1 PROGRAM CODE: 4C		DATE OF AWARD 10/13/2023
			TYPE OF ACTION No Cost Amendment		MAILING DATE 10/13/2023
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
Josh Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES State Water Pollution Control Revolving Fund (CW SRF) - BIL Supplemental <p>The purpose of this agreement is for a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), which provides funds for the recipient's Clean Water State Revolving Fund (CWSRF) program. This grant agreement provides full federal funding in the amount of \$149,075,000.00. Pre-award costs are approved back to 7/1/23.</p> <p>This assistance amendment removes the programmatic term and condition (a) on conditional grant approval because the final Intended Use Plan with the resolution number was received from the CA SWRCB. The budget and project period end dates and the federal funding in the amount of \$149,075,000.00 remain the same.</p>					
BUDGET PERIOD 07/01/2023 - 06/30/2028		PROJECT PERIOD 07/01/2023 - 06/30/2028		TOTAL BUDGET PERIOD COST \$163,982,500.00	
				TOTAL PROJECT PERIOD COST \$163,982,500.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/19/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$0.00. EPA agrees to cost-share 90.91% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$149,075,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer Veronica Adams - Award Official Delegate					DATE 10/13/2023

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$149,075,000	\$0	\$149,075,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$14,907,500	\$0	\$14,907,500
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$163,982,500	\$0	\$163,982,500

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.458 - Capitalization Grants for Clean Water State Revolving Funds	Clean Water Act: Title VI & Infrastructure Investment and Jobs Act (IIJA)(PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$3,039,041
2. Fringe Benefits	\$1,464,818
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$155,783,676
9. Total Direct Charges	\$160,287,535
10. Indirect Costs: 82.04 % Base personnel and fringe only	\$3,694,965
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$163,982,500
12. Total Approved Assistance Amount	\$149,075,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$149,075,000

Administrative Conditions

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.


The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

The programmatic term and condition (a) has been removed as the requirements have been met. All other programmatic terms and conditions included in the previous agreement remain in full force and effect

a. Conditional Grant Approval - Removed

--End of Document --

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 97T11601 MODIFICATION NUMBER: 1 PROGRAM CODE: 4D		DATE OF AWARD 08/30/2024
			TYPE OF ACTION No Cost Amendment		MAILING DATE 08/30/2024
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P.O. Box 1888 Sacramento, CA 95812-1888 EIN: 68-0281986			PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P.O. Box 1888 Sacramento, CA 95812-1888		
PROJECT MANAGER Joshua Ziese P.O. Box 1888 Sacramento, CA 95812-1888 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL General Supplemental The purpose of this grant is to provide a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), for the recipient's Drinking Water State Revolving Fund (DWSRF) program. The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA). This assistance amendment deletes the programmatic term and condition (a) on conditional grant approval because CASWRCB submitted the final Intended Use Plan with resolution number. The federal funding in the amount of \$247,974,000.00 and the budget and project period end dates remain the same.					
BUDGET PERIOD 07/01/2024 - 06/30/2029		PROJECT PERIOD 07/01/2024 - 06/30/2029		TOTAL BUDGET PERIOD COST \$ 297,568,800.00	
				TOTAL PROJECT PERIOD COST \$ 297,568,800.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/07/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 247,974,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>					
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer by Veronica Adams - Award Official Delegate					DATE 08/30/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 247,974,000	\$ 0	\$ 247,974,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 49,594,800	\$ 0	\$ 49,594,800
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 297,568,800	\$ 0	\$ 297,568,800

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66,468 - Drinking Water State Revolving Fund	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 3,226,623
2. Fringe Benefits	\$ 1,688,492
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 288,596,709
9. Total Direct Charges	\$ 293,511,824
10. Indirect Costs: 84.36 % Base personnel and fringe only	\$ 4,056,976
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %)	\$ 297,568,800
12. Total Approved Assistance Amount	\$ 247,974,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 247,974,000

Administrative Conditions

The administrative terms and conditions are reiterated.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtfpc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtfpc-grants@epa.gov within 120 days after the end of the project period.)

Each FFR shall separately account for: (1) All administrative allowance expenditures; (2) All project assistance expenditures; and (3) Each "set-aside" program.

B. Procurement

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or

procurement under subawards or loans in the “Other” category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled “annual” in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the “Final Report (project completed)” in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

Programmatic Conditions

The programmatic term and condition (a) is deleted. All other programmatic terms and conditions are reiterated.

a. Conditional Grant Approval - DELETED

b. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

Payment Amount	Quarter	<u>Payment Date</u>	<u>Fund Source</u>	<u>Payment</u>	<u>Cumulative Amount</u>
FFY2024	Quarter 4	7/1/24	Loan Fund	\$183,500,760	\$183,500,760
FFY2024	Quarter 4	7/1/24	Set-Asides	\$64,473,240	\$247,974,000

c. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

d. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2024 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

e. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

f. Set-Asides

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to Luis Garcia-Bakarich at Garcia-Bakarich.Luis@epa.gov copies of the work plans associated with grants and contracts that it may enter into with other EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

Program staff shall attend the annual Council of Infrastructure Authorities (CIFA) national SRF

conferences, and EPA sponsored regional meetings and training sessions annually. Staff newly hired and/or assigned to work on state SRF program activities will attend at least one of the SRF training sessions given yearly within one year from date of hire or assent agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 118-42 (the Consolidated Appropriations Act, 2024), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

g. Reporting

In accordance with 2 CFR 200.329 and 40 CFR 35.3570, the recipient agrees to provide in its Annual/Biennial information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

h. Program Income from Administrative Fees

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

i. Signage Required

1. Signage Requirements

a.) Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Bipartisan Infrastructure Law” or “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b.) Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects

serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice. **(See Attachment 1).**

j. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

(a) Stand-alone Lead Service Line Replacement

- (1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.
- (2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects

- (1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

k. Green Project Reserve

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

l. Additional Subsidization

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

m. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at www.fgdc.gov.

n. American Iron and Steel (AIS)

(a) **Definitions.** As used in this award term and condition—

(1) “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) **Domestic preference.**

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2)

of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

- (i)** applying the requirement would be inconsistent with the public interest;
- (ii)** iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii)** inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) Request for a Waiver under (b)(2) of this section

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

- (A)** A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B)** Unit of measure;
- (C)** Quantity;
- (D)** Cost;
- (E)** Time of delivery or availability;
- (F)** Location of the project;
- (G)** Name and address of the proposed supplier; and
- (H)** A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

o. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

p. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

q. Davis-Bacon Labor Standards

1. Program Applicability

a.) Program Name: Drinking Water State Revolving Fund

b.) Statute requiring compliance with Davis-Bacon: Section 1452(a)(5) of the Safe Drinking Water Act

c.) Activities subject to Davis-Bacon: Any project for construction, alteration, or repair carried out in whole or part with assistance made available by the drinking water state revolving loan fund under Section 1452 of the Safe Drinking Water Act. This applies to all projects whether equivalency or not.

d.) The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

3. Recipient Responsibilities When Entering Into and Managing Contracts:

a.) Solicitation and Contract Requirements:

- i. Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in 29 CFR 1.6 when soliciting bids and awarding contracts.
- ii. Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants.”

b.) After Award of Contract:

- i. Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in 29 CFR 5.5(a)(1)(iii).
- ii. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by 29 CFR 5.6.

4. Recipient Responsibilities When Establishing and Managing Additional Subawards:

a.) Include DBRA Requirements in All Subawards (including Loans):

Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients.”

b.) Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in 29 CFR 5.6.

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see 29 CFR 5.1), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

—End of Document—

4D - 98T47501 - 2 Page 1

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 98T47501		DATE OF AWARD 12/05/2022	
			MODIFICATION NUMBER: 2			
			PROGRAM CODE: 4D		TYPE OF ACTION No Cost Amendment	MAILING DATE 12/05/2022
			PAYMENT METHOD: ASAP		ACH# 90020	
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov			
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828			
PROJECT MANAGER Lance Reese 1001 I Street Sacramento, CA 95814-2828 Email: Lance.Reese@waterboards.ca.gov Phone: 916-449-5625		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: soo-hoo.mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677		
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL General Supplemental See Attachment 1 for project description.						
BUDGET PERIOD 07/01/2022 - 06/30/2026		PROJECT PERIOD 07/01/2022 - 06/30/2026		TOTAL BUDGET PERIOD COST \$174,606,300.00		
				TOTAL PROJECT PERIOD COST \$174,606,300.00		
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 07/13/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$0.00. EPA agrees to cost-share <u>90.91%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$158,733,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>						
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105			
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>						
Digital signature supplied by EPA Award Official Carolyn ruong - Grants Management Officer Veronica Adams - Grants Management Specialist					DATE 12/05/2022	

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$158,733,000	\$0	\$158,733,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$15,873,300	\$0	\$15,873,300
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$174,606,300	\$0	\$174,606,300

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$2,636,882
2. Fringe Benefits	\$1,270,977
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$400,000
7. Construction	\$0
8. Other	\$166,931,820
9. Total Direct Charges	\$171,239,679
10. Indirect Costs: 86.15 % Base personnel and fringe only	\$3,366,621
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$174,606,300
12. Total Approved Assistance Amount	\$158,733,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$158,733,000

Attachment 1 - Project Description

This agreement will provide funds, authorized by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF) to provide low interest financing for costs associated with the planning, design and construction of eligible drinking water improvement projects and activities to protect human health. As part of this agreement, the recipient ensures compliance with federal and state regulations, which are designed to protect public health.

The bulk of the SRF will be used for loans and other authorized assistance to public water systems for eligible projects, including improving drinking water treatment, fixing leaky or old pipes (water distribution), improving source of water supply, replacing or constructing finished water storage tanks, and other infrastructure projects needed to protect public health. The recipient may also use some of the funding for specific "set-asides" to provide technical assistance to small systems, program administration, state program management and other allowable uses.

The benefits of this grant will be to capitalize the recipient's DWSRF. The fund can then be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide.

This assistance agreement revises programmatic terms and conditions. The federal funding in the amount of \$158,733,000.00 and the budget project period remain the same.

Administrative Conditions

The general terms and conditions are reiterated. All other administrative terms and conditions included in the previous agreements remain in full force and effect.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

The programmatic terms and conditions (b) and (l) have been revised. All other programmatic terms and conditions included in the previous agreements remain in full force and effect.

b. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). If a grant that was awarded prior to November 18, 2022, is amended to include this term and condition, the recipient is no longer required to comply with the above-cited regulations. For further details on this change, see the notification memo from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022 attached to this award.

I. Infrastructure Investment and Jobs Act (IIJA) Signage Required Term and Condition

1. Signage Requirements

- a. Building A Better America Emblem:** The recipient will ensure that a sign is placed at construction sites supported under this award displaying the official Building A Better America emblem and must identify the project as a "project

funded by President Biden's Bipartisan Infrastructure Law." Construction is defined at 40 CFR 33.103 as "erection, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other improvements to real property, and activities in response to a release or a threat of a release of a hazardous substance into the environment, or activities to prevent the introduction of a hazardous substance into a water supply." The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at:

<https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand-Guide.pdf>

- b. EPA Logo: The recipient will ensure that signage displays the EPA logo along with the official Building A Better America emblem. The EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project.

The recipient will ensure compliance with the sign specifications provided by the EPA Office of Public Affairs (OPA) available at: <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-producedepa-assistance-agreement-recipients>. As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the recipient should send a request directly to OPA and include the EPA Project Officer in the communication. Instructions for contacting OPA is available on the [Using the EPA Seal and Logo page](#).

- C. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Building A Better America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

—End of Document—

Attachment



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER

MEMORANDUM

SUBJECT: Approval of Class Exception from the Clean Water and Drinking Water State Revolving Fund Cash Draw Rules

FROM: Raffael Stein, Director
Water Infrastructure Division

Raffael
Stein

Digitally signed by
Raffael Stein
Date: 2022.11.29
14:16:29 -05'00'

Anita Maria Thompkins, Director
Drinking Water Infrastructure Development Division

CYNTHIA
SIMBANIN

Digitally signed by
CYNTHIA SIMBANIN
Date: 2022.11.30
12:36:48 -05'00'

TO: Water Division Directors
Regions I-X

This memorandum announces a permanent regulatory exception (i.e., deviation) to the State Revolving Fund (SRF) cash draw rules. This class exception updates and modernizes the programs' federal cash draw rules. The Office of Grants and Debarment (OGD) approved this regulatory exception on November 18, 2022. This class exception will be in place until EPA can revise the existing SRF regulations.

This exception applies to the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). These regulations specify the rate at which states can draw federal funds in relation to state contribution. Further, the regulations slow the rate at which federal funds can be drawn for refinancing projects in the SRFs.

In plain language, this regulatory exception:

- Eliminates the requirement for states to draw SRF disbursement requests at a proportional federal to state ratio.
- Eliminates the cap on federal funds that can be drawn for refinance projects in the first eight quarters after EPA awards a capitalization grant to the state.

BACKGROUND

The CWSRF and DWSRF were established by amendments to the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA), respectively as financial assistance programs to protect and improve water quality and public health. The statutory requirements¹ for timely and expeditious expenditure of all funds in the CWA and SDWA direct states to efficiently use all financial resources in the programs to improve water quality and protect human health. The statutes do not specify cash draw requirements. In

¹ 33 U.S.C. §1382(b)(4) and 42 U.S.C. §300j-12(g)(3)

promulgating the programs' original regulations, the CWSRF and DWSRF programs set limits to the rate at which federal funds could be disbursed relative to state match contributions and for refinancing projects. For the CWSRF, the proportionality ratio was set at 83.33% federal, 16.67% state. For the DWSRF, the ratio depended on the amount of funds states took for set-asides and thus varied by capitalization grant. For refinancing projects, the regulation sets a ceiling for how much federal capitalization grant may be drawn to reimburse an assistance recipient in the initial eight quarters after award of the capitalization grant. While appropriate in the early years of the programs, these rules now serve as obsolete administrative burdens on the Agency's state partners.

Over recent decades, the CWSRF and DWSRF programs have adopted appropriate financial metrics to accommodate and conduct fiduciary oversight. This oversight includes EPA Project Officers ensuring that states properly deposit the state match into the fund at the time of or in advance of capitalization grant payments. The Intended Use Plan and Annual State Review checklists, used in the capitalization grant award process and annual review respectively, include items for EPA regions to confirm deposit of state match. Furthermore, EPA utilizes metrics such as fund utilization and disbursement ratios to holistically ensure states are disbursing funds in an appropriate and timely and expeditious manner. These metrics look at all sources of funding in an SRF, not only annual federal and state capitalization. The original cash draw rules established at the beginning of the SRF programs serve minimal utility for program oversight and are thus being eliminated.

IMPACT

Once Regions include the appropriate term and condition in new or already-awarded SRF capitalization grants (see Action section below), this permanent exception allows states to:

- Draw federal funds at a ratio of 100% for disbursement to assistance recipients to cover incurred project costs, and
- For a project that was funded through non-SRF municipal debt and is being refinanced by the CWSRF or DWSRF, allow the immediate expenditure of federal funds up to the completed portion of the project.

To align with industry-standard first in first out (FIFO) principles, states are encouraged to draw federal funds at a ratio of 100%, as this regulatory exception allows, after they have deposited the appropriate state match into the fund. However, states have the flexibility to continue their current cash draw processes (i.e., states may choose to continue proportional draws), after they have deposited the appropriate state match into the fund.

EPA HQ will modify the Annual State Review transaction testing procedure to reflect this class exception. EPA will no longer check proportionality on draws made from new capitalization grants going forward. For already-awarded capitalization grants that Regions amend (see Action section below), EPA will not check proportionality on draws made after the date of the respective grant amendment.

ACTION

Given that this class exception has the effect of a regulatory change, Regions must notify the states that the regulations cited above are no longer applicable. Regions must use the following term and condition in the award of all new SRF capitalization grants going forward. For this change to apply to already-awarded SRF capitalization grants, Regions must amend those grants to reflect this change with the

same term and condition. Until already-awarded capitalization grants are amended, they must comply with the cash draw rules governing the initial award.

Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). If a grant that was awarded prior to November 18, 2022, is amended to include this term and condition, the recipient is no longer required to comply with the above-cited regulations. For further details on this change, see the notification memo from Division Directors Raffael Stein and Anita Maria Thompkins dated [Insert memo date] attached to this award.

The HQ SRF program offices are working with OGD to add this term and condition to the applicable funding recommendation templates in the Next Generation Grants System (NGGS). Further, the HQ SRF program offices will include these changes in each program's planned regulatory updates.

Inquiries may be directed to Josh Amaris at Amaris.Josh@epa.gov (202-564-1904) and Nick Chamberlain at Chamberlain.Nick@epa.gov (202-564-1871).

Cc: Region I-X Branch Chiefs
Region I-X SRF Coordinators
Michael Deane, Clean Water State Revolving Fund Branch Chief
Kiri Anderer, Water Infrastructure Technical Support Branch Supervisor
Acting Water Finance Branch Supervisor



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

November 18, 2022

OFFICE OF MISSION SUPPORT

MEMORANDUM

SUBJECT: Class Exception from the Clean Water and Drinking Water State Revolving Fund Cash Draw Rules

FROM: Michael Osinski, Director
Office of Grants and Debarment

**MICHAEL
OSINSKI**

Digitally signed by
MICHAEL OSINSKI
Date: 2022.11.18
12:26:46 -05'00'

TO: Jennifer L. McLain, Director
Office of Ground Water and Drinking Water

Andrew D. Sawyers, Director
Office of Wastewater Management

I am responding to your September 22, 2022 request for a class exception from the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and the Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). These regulations specify the rate at which states can draw federal funds in relation to state contribution and have the effect of slowing the rate at which federal funds can be drawn for refinancing projects in the SRFs. In addition to the exception request, the Office of Wastewater Management (OWM) and the Office of Groundwater and Drinking Water (OGWDW) provided detailed background information on the CWSRF and DWSRF regulations and substantial rationale for this class exception in the *Policy and Technical Evaluation for a Permanent Exception to CWSRF and DWSRF Cash Draw Rules*. The purpose of the class exception is to update and modernize the federal cash draw rules for the SRFs. Based on the reasons provided by OWM and OGWDW, I approve the class exception.

BACKGROUND

The CWSRF and DWSRF were established by amendments to the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA), respectively as financial assistance programs to protect and improve water quality and public health. The statutory requirements¹ for timely and expeditious expenditure of all funds in the CWA and SDWA direct states to efficiently use all financial resources in the programs to improve water quality and protect human health. The statutes do not specify cash draw requirements. In promulgating regulations, the CWSRF and DWSRF programs set limits to the rate at which federal funds could be disbursed relative to state match contributions and for refinancing projects. While appropriate in the early years of the programs, these rules now serve as obsolete administrative burdens

¹ 33 U.S.C. §1382(b)(4) and 42 U.S.C. §300j-12(g)(3)

on the Agency's state partners. Over recent decades, the CWSRF and DWSRF programs have adopted appropriate financial metrics to accommodate and conduct fiduciary oversight. This oversight includes EPA Project Officers ensuring that states properly deposit the state match into the fund through the grant award process and annual review. The Intended Use Plan and Annual Review checklists include items for EPA regions to confirm deposit of state match. Furthermore, EPA utilizes metrics such as fund utilization and disbursement ratios to holistically ensure states are disbursing funds in an appropriate and timely and expeditious manner. These metrics look at all sources of funding in an SRF, not only annual federal and state capitalization. The original cash draw rules established at the beginning of the SRF programs serve minimal utility for program oversight.

The class exception will allow states to:

- Draw federal funds at a ratio of 100% for loan disbursement to assistance recipients to cover incurred project costs as long as the state match is deposited into the fund, and
- For a project that was funded through non-SRF municipal debt and is being refinanced by the CWSRF or DWSRF, allow the immediate expenditure of federal funds up to the completed portion of the project.

Modernizing the SRF federal cash draw rules will assist states to manage multiple grants with different state match requirements by no longer requiring states to calculate different cash draw ratios on a grant-by-grant basis and process disbursement requests at different rates based on differing source funding. This will greatly reduce administrative burden and will also reduce the risk of "improper payments" related to drawing federal funds at an incorrect rate even though those funds are used to reimburse communities for eligible expenses. States still must deposit state match into the fund and EPA has internal controls to verify that states make such a deposit. Accordingly, EPA will continue to ensure that states continue to meet the key statutory requirement. This class exception will give the SRFs the permanent flexibility to easily adapt to changing state match requirements and manage the sources in their fund in accordance with the industry standard First In, First Out (FIFO). By removing the initial eight quarter refinance draw limitations described in the regulations, states will be able to draw funds in a more timely and expeditious manner and ensure that communities receive the benefits of below market rate financing provided by the SRFs.

ACTION

I have reviewed the request and extensive rationale for a class exception from the CWSRF regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and the DWSRF regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). I agree with OWM and OGWDW that a class exception to the cash draw rules will make the SRFs more efficient at improving water quality and protecting public health, reduce the risk of improper transactions, support the Agency's state partners by reducing administrative burden, and align with the CWA and SDWA directives to use all resources in a timely and expeditious manner. Therefore, as provided at 2 CFR 1500.4(b), I am approving the class exception. This class exception will be in place until EPA can revise the SRF regulations.

Given that this class exception has the effect of a regulatory change, EPA must notify the states that the regulations are no longer applicable. OWM and OGWDW will provide the requisite notification via a memorandum from their respective Division Directors as well as include the following programmatic term and condition in SRF grants:

Amended Cash Draw Proportionality

As of [Insert date of exception approval], recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). If a grant that was awarded prior to [Insert date of exception approval] is amended to include this term and condition, the recipient is no longer required to comply with the above-cited regulations. For further details on this change, see the notification memo from the [Insert Division Directors' Names] dated [Insert memo date] attached to this award.

The SRF programs have agreed to work with OGD to add this term and condition to the applicable funding recommendation templates in the Next Generation Grants System (NGGS).

The Office of General Counsel concurs with granting the class exception and the term and condition.

Attachment

cc: Melissa Wise, Office of Grants and Debarment
Kysha Holliday, Office of Grants and Debarment
Wynne Miller, Office of Wastewater Management
Yu-Ting Guilaran, Office of Ground Water and Drinking Water
Raffael Stein, Water Infrastructure Division
Leo Gueriguan, Water Infrastructure Division
Anita Thompkins, Drinking Water Infrastructure Development Division
Cindy Simbanin, Drinking Water Infrastructure Development Division
Michael Deane, Clean Water State Revolving Fund Branch
Nick Chamberlain, Water Finance Branch
Kelly Tucker, Clean Water State Revolving Fund
Josh Amaris, Clean Water State Revolving Fund
Mark Mylin, Clean Water State Revolving Fund
Howard E. Rubin, Drinking Water State Revolving Fund
Brad Raszewski, Drinking Water State Revolving Fund
Tracey Miller, Office of Water
Joanne Hogan, Office of General Counsel
Meghan Kelly, Office of General Counsel
Wayne Taylor, Research Triangle Park Finance Center
Grants Management Officers

4D - 98T77601 - 0 Page 1

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement	GRANT NUMBER (FAIN): 98T77601 MODIFICATION NUMBER: 0 PROGRAM CODE: 4D		DATE OF AWARD 08/09/2023
		TYPE OF ACTION New		MAILING DATE 08/14/2023
		PAYMENT METHOD: ASAP		ACH# 90020
		RECIPIENT TYPE: State		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986		PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828		
PROJECT MANAGER Josh Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 84105 Email: adams.veronica@epa.gov Phone: 415-972-3677
PROJECT TITLE AND DESCRIPTION Safe Drinking Water State Revolving Fund (DW SRF) - BIL General Supplemental See Attachment 1 for project description.				
BUDGET PERIOD 07/01/2023 - 06/30/2028		PROJECT PERIOD 07/01/2023 - 06/30/2028		TOTAL BUDGET PERIOD COST \$249,865,000.00
				TOTAL PROJECT PERIOD COST \$249,865,000.00
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/16/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$227,150,000.00. EPA agrees to cost-share <u>90.91%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$227,150,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>				
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer				DATE 08/09/2023

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$227,150,000	\$227,150,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$22,715,000	\$22,715,000
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$249,865,000	\$249,865,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$3,408,468
2. Fringe Benefits	\$1,642,881
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$240,734,570
9. Total Direct Charges	\$245,785,919
10. Indirect Costs: 82.04 % Base personnel and fringe only	\$4,079,081
11. Total (Share: Recipient <u>9.09</u> % Federal <u>90.91</u> %)	\$249,865,000
12. Total Approved Assistance Amount	\$227,150,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$227,150,000
15. Total EPA Amount Awarded To Date	\$227,150,000

Attachment 1 - Project Description

This agreement provides funding to the California State Water Resources Control Board. Section 1452 of the Safe Drinking Water Act (SDWA) and Infrastructure Investment and Jobs Act (IIJA) PL 117-58 authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF). As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health.

This grant agreement provides full federal funding in the amount of \$227,150,000.00.

Pre-award costs are approved back to 7/1/23.

The bulk of the State Revolving Fund (SRF) will be used for loans and other authorized assistance to public water systems for eligible projects, including improving drinking water treatment, water distribution, improving source of water supply, replacing or constructing finished water storage tanks, and other infrastructure projects needed to protect public health. The recipient may also use some of the funding for specific "set-asides"; to provide technical assistance to small systems, program administration, state program management and other allowable uses.

The benefits of this grant will be to capitalize the recipient's DWSRF. The fund can then be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide.

No subawards are included in this assistance agreement.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtafc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtafc-grants@epa.gov within 120 days after the end of the project period.)

Each FFR shall separately account for: (1) All administrative allowance expenditures; (2) All project assistance expenditures; and (3) Each "set-aside" program.

B. Procurement

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned

procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. For section 2B, the Region 9 EPA DBA Coordinator is Alexandra Perez, email: GrantsRegion9@epa.gov, phone: 415-972-3826.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

Programmatic Conditions

a. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment</u>	<u>Quarter</u>	<u>Payment Date</u>	<u>Fund Source</u>	<u>Payment Amount</u>	<u>Cumulative Amount</u>
FFY2024	Quarter 1	Award date	Loan Fund - DA	\$168,091,000	\$168,091,000
FFY2024	Quarter 1	Award date	Set-Asides	\$59,059,000	\$227,150,000

The recipient will follow the payment schedule according to the table above. Changes to the payment schedule may be negotiated during the year and must be approved by EPA; however, no payment can be taken later than June 2025.

b. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 10 percent of the amount awarded in the capitalization grant.

c. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investments and Jobs Act (IIJA) SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

d. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

e. Set-Aside Work Plan

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement.

f. Set-Aside Sub-Grants and Contracts

The recipient shall provide or make available to the Region 9 Drinking Water Program Manager copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

g. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

Program staff shall attend the annual Council of Infrastructure Authorities (CIFA) national SRF conferences, and EPA sponsored regional meetings and training sessions annually. Staff newly hired and/or assigned to work on state SRF program activities will attend at least one of the SRF training sessions given yearly within one year from date of hire or assignment.

h. SRF Data System and Public Health Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

i. Biennial/Annual Reporting

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Biennial/Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

j. Set-Aside Reporting

The recipient agrees to provide to the Region 9 Drinking Water Program Manager an annual report on the set-aside activities funded under this grant. These reports shall be provided at the end of each fiscal year that the grant is in effect.

k. Program Income from Administrative Fees

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the

administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

I. Signage

1. Signage Requirements

Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

(Attachment 1)

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

m. Full Lead Service Line Replacement

The recipient agrees to ensure that any project funded in whole or in part under this capitalization grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

n. Additional Subsidization

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

o. Green Project Reserve

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

p. American Iron and Steel (AIS)

(a) Definitions. As used in this award term and condition—

(1) “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) Request for a Waiver under (b)(2) of this section

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

q. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

r. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

s. Wage Rate Requirements

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that

loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009. (**Attachment 2**)

--End of Document--

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 97T11701 MODIFICATION NUMBER: 1 PROGRAM CODE: 4E		DATE OF AWARD 08/30/2024
		TYPE OF ACTION No Cost Amendment		MAILING DATE 08/30/2024
		PAYMENT METHOD: ASAP		ACH# 90020
		RECIPIENT TYPE: State		
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P.O. Box 1888 Sacramento, CA 95812-1888 EIN: 68-0281986		PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P.O. Box 1888 Sacramento, CA 95812-1888		
PROJECT MANAGER Joshua Ziese P.O. Box 1888 Sacramento, CA 95812-1888 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL Emerging Contaminant See Attachment 1 for project description.				
BUDGET PERIOD 07/01/2024 - 06/30/2029	PROJECT PERIOD 07/01/2024 - 06/30/2029	TOTAL BUDGET PERIOD COST \$ 97,636,000.00	TOTAL PROJECT PERIOD COST \$ 97,636,000.00	
<p style="text-align: center;">NOTICE OF AWARD</p> <p>Based on your Application dated 06/07/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 97,636,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p style="text-align: center;">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>				
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer by Veronica Adams - Award Official Delegate				DATE 08/30/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 97,636,000	\$ 0	\$ 97,636,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 97,636,000	\$ 0	\$ 97,636,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66,468 - Drinking Water State Revolving Fund	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 97,636,000
9. Total Direct Charges	\$ 97,636,000
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 97,636,000
12. Total Approved Assistance Amount	\$ 97,636,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 97,636,000

Attachment 1 - Project Description

This agreement provides a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58), for the recipient's Drinking Water State Revolving Fund program (DWSRF). These funds are for DWSRF-eligible projects that address emerging contaminants in drinking water with a focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS). The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA). As part of its grant application, the California State Water Resources Control Board provided a request and all the necessary documentation to transfer the full Clean Water Emerging Contaminants allotment to the Drinking Water Emerging Contaminants fund. The CW Emerging Contaminant funds of \$15,208,000 were awarded as EPA In-kind in grant number 4X-97T11901 and are now awarded to California in this, the DW Emerging Contaminants grant. The California State Water Resources Control Board will provide the funds in California entirely as additional subsidy, consistent with the law, to protect water quality and public health in California and to vitalize the economy through the creation of jobs. This process satisfies the statutory requirement that the CWSRF award be made prior to the funds transfer.

This assistance amendment deletes the programmatic term and condition (a) on conditional grant approval because CASWRCB submitted the final Intended Use Plan with resolution number. The federal funding in the amount of \$97,636,000.00 and the budget and project period end dates remain the same.

Administrative Conditions

The administrative term and condition A is revised. All other administrative terms and conditions are reiterated.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

Each FFR shall separately account for: (1) All administrative allowance expenditures; (2) All project assistance expenditures; and (3) Each "set-aside" program.

B. Procurement

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction,

equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the “Other” category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled “annual” in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the “Final Report (project completed)” in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Indirect Costs

The Cost Principles under 2 CFR Part 200, Subpart E apply to this award. Since there are no indirect costs included in the assistance budget, they are not allowable under this Assistance Agreement.

Programmatic Conditions

The programmatic term and condition (a) is deleted. All other programmatic terms and conditions are reiterated.

a. Conditional Grant Approval - DELETED.

b. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment</u>	<u>Quarter</u>	<u>Payment Date</u>	<u>Fund Source</u>	<u>Payment Amount</u>	<u>Cumulative Amount</u>
FFY2024	Quarter 4	07/01/2024	Loan Fund	\$76,204,720	\$76,204,720
FFY2024	Quarter 4	07/01/2024	Set-Asides	\$21,431,280	\$97,636,000

c. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) Emerging Contaminant SFY 2024 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. For a project or activity to be eligible for funding under this appropriation, it must be otherwise Drinking Water State Revolving Fund (DWSRF)-eligible, and the primary purpose must be to address emerging contaminants in drinking water.

d. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

e. Set-Asides

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. Set-asides under this appropriation must be used to either administer this capitalization grant or meet the statutory purpose of these funds: "to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances." The recipient shall provide or make available to Luis Garcia-Bakarich at Garcia-Bakarich.Luis@epa.gov copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to provide to Luis Garcia-Bakarich at Garcia-Bakarich.Luis@epa.gov an annual report on the set-aside activities funded under this grant. In its annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant. These annual reports shall be provided at the end of the fiscal year of each year the grant is in effect.

f. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the DWSRF program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

Program staff shall attend the annual Council of Infrastructure Authorities (CIFA) national SRF conferences, and EPA sponsored regional meetings and training sessions annually. Staff newly hired and/or assigned to work on state SRF program activities will attend at least one of the SRF training sessions given yearly within one year from date of hire or assignment.

g. SRF Data System and Public Health Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the SRF from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 118-42 (the Consolidated Appropriations Act, 2024), and P.L. 117-58, respectively. EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

h. Biennial/Annual Reporting

In accordance with 2 CFR 200.329 and 40 CFR 35.3570, the recipient agrees to provide in its Biennial/Annual information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the Intended Use Plan; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

i. Program Income from Administrative Fees

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

j. Signage Required**1. Signage Requirements**

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The recipient will ensure

compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b. Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

k. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

(a) Stand-alone Lead Service Line Replacement

(1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

(2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects

(1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even

if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

I. Green Project Reserve

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

m. Additional Subsidization

The recipient agrees to use 100 percent of the funds made available in the capitalization grant, net of set-asides taken, to provide additional subsidy in the form of forgiveness of principal or as grants (or any combination of these). The recipient must direct at least 25 percent of these additional subsidy funds to disadvantaged communities (as defined by the state under SDWA 1452(d)) or public water systems serving fewer than 25,000 persons. The recipient agrees to provide these funds only as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

n. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at www.fgdc.gov.

o. American Iron and Steel (AIS)

(a) Definitions. As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

- (i) applying the requirement would be inconsistent with the public interest;
- (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B) Unit of measure;
- (C) Quantity;
- (D) Cost;
- (E) Time of delivery or availability;
- (F) Location of the project;
- (G) Name and address of the proposed supplier; and
- (H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

p. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

q. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

r. Davis-Bacon Labor Standards

1. Program Applicability

a. Program Name: Drinking Water State Revolving Fund

- b. Statute requiring compliance with Davis-Bacon: Section 1452(a)(5) of the Safe Drinking Water Act
- c. Activities subject to Davis-Bacon: Any project for construction, alteration, or repair carried out in whole or part with assistance made available by the drinking water state revolving loan fund under Section 1452 of the Safe Drinking Water Act. This applies to all projects whether equivalency or not.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland "Anti-Kickback" Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

3. Recipient Responsibilities When Entering Into and Managing Contracts

a. Solicitation and Contract Requirements:

i. Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in 29 CFR 1.6 when soliciting bids and awarding contracts.

ii. Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

"By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants."

b. After Award of Contract:

i. Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in 29 CFR 5.5(a)(1)(iii).

ii. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by 29 CFR 5.6.

4. Recipient Responsibilities When Establishing and Managing Additional Subawards

a. Include DBRA Requirements in All Subawards (including Loans):


Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients.”

b. Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in 29 CFR 5.6.

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see 29 CFR 5.1), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

—End of Document—

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 98T47401 MODIFICATION NUMBER: 3 PROGRAM CODE: 4E	DATE OF AWARD 08/09/2023
		TYPE OF ACTION No Cost Amendment	MAILING DATE 08/09/2023
		PAYMENT METHOD: ASAP	ACH# 90020
		RECIPIENT TYPE: State	
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828	
PROJECT MANAGER Josh Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500	
		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL Emerging Contaminant The purpose of this agreement is for a capitalization grant which provides funds for the recipient's Drinking Water State Revolving Fund (DWSRF) program with the primary purpose to address emerging contaminants in drinking water with a focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS). This administrative amendment is to adjust the dollar amounts associated with each site project code. The changes to the set-aside amounts are in accordance with EPA policy on inter-State Revolving Fund transfers. These adjustments are as follows: 4% Administrative Expenses set-aside (DD) reduced by \$267,480. 2% Small Systems Technical Assistance set-aside (DE) reduced by \$133,740. 10% State Program Management/PWSS set-aside (DF) reduced by \$668,700. 10% Local Assistance and Other State Programs set-aside (DG) reduced by \$668,700. The total reduced amount of \$1,738,620 is moved to the loan fund (DA). The total federal funding in the amount of \$73,336,000 remains the same. The budget and project period remain the same.			
BUDGET PERIOD 07/01/2022 - 06/30/2027	PROJECT PERIOD 07/01/2022 - 06/30/2027	TOTAL BUDGET PERIOD COST \$73,336,000.00	TOTAL PROJECT PERIOD COST \$73,336,000.00
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 07/13/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$0.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$73,336,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			

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ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 9 , U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer			DATE 08/09/2023

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$73,336,000	\$0	\$73,336,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$73,336,000	\$0	\$73,336,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
LOCAL ASSI	2209W33023	22	E3SD	09L2	000B81X72	4109	22DG	-	(\$668,700)
STATE PROG	2209W33023	22	E3SD	09L2	000B81X72	4109	22DF	-	(\$668,700)
SWS TECHN	2209W33023	22	E2SD	09L2	000B81X72	4109	22DE	-	(\$133,740)
LOAN FUND	2209W33023	22	E3SD	09L2	000B81X72	4109	22DA	-	\$1,738,620
ADMINISTRA	2209W33023	22	E3SD	09L2	000B81X72	4109	22DD	-	(\$267,480)
									\$0

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$73,336,000
9. Total Direct Charges	\$73,336,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$73,336,000
12. Total Approved Assistance Amount	\$73,336,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$73,336,000

Administrative Conditions

The general terms and conditions are revised. All other terms and conditions included in the previous agreements remain in full force and effect.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.


The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

The programmatic terms and conditions remain in full force and effect.

--End of Document--

4E - 98T77701 - 0 Page 1

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		GRANT NUMBER (FAIN): 98T77701 MODIFICATION NUMBER: 0 PROGRAM CODE: 4E		DATE OF AWARD 10/13/2023
			TYPE OF ACTION New		MAILING DATE 10/18/2023
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
Josh Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND DESCRIPTION Safe Drinking Water State Revolving Fund (DW SRF) - BIL Emerging Contaminant See Attachment 1 for project description.					
BUDGET PERIOD 07/01/2023 - 06/30/2028		PROJECT PERIOD 07/01/2023 - 06/30/2028		TOTAL BUDGET PERIOD COST \$97,636,000.00	
				TOTAL PROJECT PERIOD COST \$97,636,000.00	
NOTICE OF AWARD					
Based on your Application dated 06/19/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$97,636,000.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$97,636,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer					DATE 10/13/2023

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$97,636,000	\$97,636,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$97,636,000	\$97,636,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
LOCAL ASST	2409W33001	23	E3SD	09L2	000B81X72	4109	23DG	-	\$8,242,800
STATE PROG	2409W33001	23	E3SD	09L2	000B81X72	4109	23DF	-	\$8,242,800
SWS TA	2409W33001	23	E3SD	09L2	000B81X72	4109	23DE	-	\$1,648,560
ADMIN	2409W33001	23	E3SD	09L2	000B81X72	4109	23DD	-	\$3,297,120
LOAN FUND	2409W33001	23	E3SD	09L2	000B81X72	4109	23DA	-	\$76,204,720
									\$97,636,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$97,636,000
9. Total Direct Charges	\$97,636,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$97,636,000
12. Total Approved Assistance Amount	\$97,636,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$97,636,000
15. Total EPA Amount Awarded To Date	\$97,636,000

Attachment 1 - Project Description

This agreement provides funding to the California State Water Resources Control Board (CASWRCB) under the Safe Drinking Act: Section 1452 and Infrastructure Investment and Jobs Act (IIJA) PL117-58. The purpose of this agreement is for a capitalization grant which provides funds for the recipient's Drinking Water State Revolving Fund (DWSRF) program with the primary purpose to address emerging contaminants in drinking water with a focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS). Emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These substances, microorganisms or materials can include many different types of natural or manufactured chemicals and substances – such as those in some compounds of personal care products, pharmaceuticals, industrial chemicals, pesticides, and microplastics.

In addition, the CASWRCB has provided a request and all the necessary documentation to transfer the full Clean Water Emerging Contaminant (CW EC) grant to Drinking Water Emerging Contaminant (DW EC). The CW EC funds of \$15,208,000 are awarded as EPA In-kind in grant number 4X-98T78001 and will be awarded to California in this, the DW EC grant. The CASWRCB will provide the funds in California entirely as additional subsidy, consistent with the law, to protect water quality and public health in California and to vitalize the economy through the creation of jobs. This process satisfies the statutory requirement that the CWSRF award be made prior to the funds transfer.

This assistance agreement provides full federal funding in the amount of \$97,636,000.00. Pre-award costs are approved back to July 1, 2023.

Section 1452 of the Safe Drinking Water Act (SDWA) authorizes the state to utilize funds to further the health protection objectives of SDWA. The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant. This IUP contains a list of the capital projects that address emerging contaminants that may receive funding from this grant. The recipient may also use some of the funding for specific "set-asides" to provide technical assistance to small systems, program administration, state program management and other allowable uses.

The benefits of this grant will be to capitalize the recipient's DWSRF with primary purpose to address emerging contaminants in drinking water with a focus on projects addressing PFAS. The fund can be used for eligible set-aside activities related to PFAS and other emerging contaminants. These public health benefits will be statewide.

No subawards are included in this assistance agreement.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to June 30 of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtfpc-grants@epa.gov no later than September 30 of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtfpc-grants@epa.gov within 120 days after the end of the project period.)

Each FFR shall separately account for: (1) All administrative allowance expenditures; (2) All project assistance expenditures; and (3) Each "set-aside" program.

B. Procurement

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the

form. For section 2B, the Region 9 Interim DBA Coordinator is Fareed Ali, email: GrantsRegion9@epa.gov, phone: 415-972-3665.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Indirect Costs

The Cost Principles under 2 CFR Part 200, Subpart E apply to this award. Since there are no indirect costs included in the assistance budget, they are not allowable under this Assistance Agreement.

Programmatic Conditions

a. Explanation of Transfer and Payment Schedule

This action approves the full FFY2023 CWSRF BIL Emerging Contaminant (EC) allotment inter-SRF transfer of \$15,208,000 to the FFY2023 DWSRF BIL EC capitalization grant award as authorized under Section 302 of the Safe Drinking Water Act Amendments of 1996, 42 U.S.C. 300j-12, and subsequent Pub. L. 109-54, Title II, Aug 2, 2005, 119 Stat. 530. The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>	<u>Payment Date</u>	<u>Fund Source</u>	<u>Payment Amount</u>	<u>Cumulative Amount</u>
FFY2024 Quarter 1	Award date	Loan Fund - DA	\$76,204,720	\$76,204,720
FFY2024 Quarter 1	Award date	Set-Asides	\$21,431,280	\$97,636,000

The recipient will follow the payment schedule according to the table above. Changes to the payment schedule may be negotiated during the year and must be approved by EPA; however, no payment can be taken later than June 2025.

b. Intended Use Plan and Operating Agreement

The entire contents of the Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) Emerging Contaminant SFY 2023 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. For a project or activity to be eligible for funding under this appropriation, it must be otherwise Drinking Water State Revolving Fund (DWSRF)-eligible, and the primary purpose must be to address emerging contaminants in drinking water.

c. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

d. Set-Aside Work Plan

The recipient agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement. Set-asides under this appropriation must be used to either administer this capitalization grant or meet the statutory purpose of these funds: "to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances."

e. Set-Aside Sub-Grants and Contracts

The recipient shall provide or make available to the Region 9 Drinking Water Program Manager copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. In its semi-annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant.

f. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the DWSRF program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

Program staff shall attend the annual Council of Infrastructure Authorities (CIFA) national SRF conferences, and EPA sponsored regional meetings and training sessions annually. Staff newly hired and/or assigned to work on state SRF program activities will attend at least one of the SRF training sessions given yearly within one year from date of hire or assignment.

g. SRF Data System and Public Health Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the SRF from the BIL, also known as the IIJA, 2021, P.L. 117-58, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328 (the Consolidated Appropriations Act, 2023), and P.L. 117-58, respectively.

EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

h. Biennial/Annual Reporting

In accordance with 2 CFR 200.328 and 40 CFR 35.3570, the recipient agrees to provide in its Biennial/Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the Intended Use Plan; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

i. Set-Aside Reporting

The recipient agrees to provide to the Region 9 Drinking Water Program Manager an annual report on the set-aside activities funded under this grant. These reports shall be provided at the end of each fiscal year that the grant is in effect.

j. Program Income from Administrative Fees

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

k. Signage

1. Signage Requirements

a.) Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>.

b.) Procuring Signs: Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

2. Public or Media Events

EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice. (**Attachment 1**)

I. Additional Subsidization

The recipient agrees to use 100 percent of the funds made available in the capitalization grant, net of set-asides taken, to provide additional subsidy in the form of forgiveness of principal or as grants (or any combination of these). The recipient must direct at least 25 percent of these additional subsidy funds to disadvantaged communities (as defined by the state under SDWA 1452(d)) or public water systems serving fewer than 25,000 persons. The recipient agrees to provide these funds only as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

m. Full Lead Service Line Replacement

The recipient agrees to ensure that any project funded in whole or in part under this capitalization grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

n. Green Project Reserve

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

o. American Iron and Steel (AIS)

(a) Definitions. As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) Request for a Waiver under (b)(2) of this section

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

p. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.


q. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with "zero-trust" (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

r. Wage Rate Requirements

The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009. **(Attachment 2)**

--End of Document--

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 98T47701 MODIFICATION NUMBER: 3 PROGRAM CODE: 4L		DATE OF AWARD 08/14/2023
		TYPE OF ACTION No Cost Amendment		MAILING DATE 08/14/2023
		PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986		PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814-2828		
PROJECT MANAGER Josh Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Ziese.Joshua@waterboards.ca.gov Phone: 916-449-5625		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL Lead Service Line Replacement This agreement will provide funds to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF) with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health. This administrative amendment is to adjust the dollar amounts associated with two project codes. The changes to the set-aside amount is in accordance with DWSRF regulations and EPA policies regarding set-aside authorities. These adjustments are as follows: - 4% Administrative Expenses set-aside (DD) reduced by \$7,162,500 - reduced amount of \$7,162,500 is moved to the loan fund (DA) The total federal funding in the amount of \$250,107,000 remains the same. The budget and project period remain the same.				
BUDGET PERIOD 07/01/2022 - 06/30/2027	PROJECT PERIOD 07/01/2022 - 06/30/2027	TOTAL BUDGET PERIOD COST \$250,107,000.00	TOTAL PROJECT PERIOD COST \$250,107,000.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 07/13/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$0.00. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$250,107,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>				
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer				DATE 08/14/2023

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$250,107,000	\$0	\$250,107,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$250,107,000	\$0	\$250,107,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$250,107,000
9. Total Direct Charges	\$250,107,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$250,107,000
12. Total Approved Assistance Amount	\$250,107,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$250,107,000

Administrative Conditions

The general terms and conditions are revised. All other terms and conditions remain in full force and effect.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at:
<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

The programmatic terms and conditions remain in full force and effect.

--End of Document--

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 98T77801		DATE OF AWARD 05/24/2024	
		MODIFICATION NUMBER: 1		MAILING DATE 05/24/2024	
		PROGRAM CODE: 4L			
		TYPE OF ACTION No Cost Amendment		PAYMENT METHOD: ASAP	
RECIPIENT TYPE: State		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov			
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD 1001 I Street Sacramento, CA 95814-2828 EIN: 68-0281986		PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD 1001 I Street Sacramento, CA 95814-2828			
PROJECT MANAGER Joshua Ziese 1001 I Street Sacramento, CA 95814-2828 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		EPA PROJECT OFFICER Mimi Soo-Hoo 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Soo-Hoo.Mimi@epa.gov Phone: 415-972-3500		EPA GRANT SPECIALIST Veronica Adams Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: adams.veronica@epa.gov Phone: 415-972-3677	
PROJECT TITLE AND EXPLANATION OF CHANGES Safe Drinking Water State Revolving Fund (DW SRF) - BIL Lead Service Line Replacement The purpose of this grant is to provide funding to the California State Water Resources Control Board. Safe Drinking Water Act (SDWA): Section 1452 and Infrastructure Investment and Jobs Act (IIJA) PL 117-58 authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's Drinking Water State Revolving Fund (DWSRF) with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health. This amendment revises a programmatic term and condition (m) detailing requirements for lead service line replacement projects. The amount of \$28,650,000 which includes \$8,308,500 in EPA in-kind remains the same. The budget and project period remains the same.					
BUDGET PERIOD 07/01/2023 - 06/30/2028		PROJECT PERIOD 07/01/2023 - 06/30/2028		TOTAL BUDGET PERIOD COST \$ 28,650,000.00	
				TOTAL PROJECT PERIOD COST \$ 28,650,000.00	
NOTICE OF AWARD Based on your Application dated 06/20/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 0.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 28,650,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer by Veronica Adams - Award Official Delegate					DATE 05/24/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 20,341,500	\$ 0	\$ 20,341,500
EPA In-Kind Amount	\$ 8,308,500	\$ 0	\$ 8,308,500
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 28,650,000	\$ 0	\$ 28,650,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66,468 - Capitalization Grants for Drinking Water State Revolving Funds	Safe Drinking Water Act: Sec. 1452 & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart L

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 0
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 8,308,500
7. Construction	\$ 0
8. Other	\$ 20,341,500
9. Total Direct Charges	\$ 28,650,000
10. Indirect Costs: 0.00 % Base	\$ 0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 28,650,000
12. Total Approved Assistance Amount	\$ 28,650,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 0
15. Total EPA Amount Awarded To Date	\$ 28,650,000

Administrative Conditions

The administrative term and condition C is revised. All other general and administrative terms and conditions remain in full force and effect.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "Final Report (project completed)" in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

Programmatic Conditions

The programmatic term and condition (m) is revised. All other programmatic terms and conditions remain in full force and effect.

m. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

(a) Stand-alone Lead Service Line Replacement

(1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

(2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects

(1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement

(1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of

partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

--End of Document--

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		GRANT NUMBER (FAIN): 97T15801 MODIFICATION NUMBER: 0 PROGRAM CODE: 48		DATE OF AWARD 09/25/2024
			TYPE OF ACTION New		MAILING DATE 09/30/2024
			PAYMENT METHOD: ASAP		ACH# 90020
			RECIPIENT TYPE: State		
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O BOX 1888 SACRAMENTO, CA 95812-1888 EIN: 68-0281986			PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O BOX 1888 SACRAMENTO, CA 95812-1888		
PROJECT MANAGER Kim Dinh 1001 I STREET, 18TH FLOOR P.O. BOX 1888 SACRAMENTO, CA 95814-9996 Email: Kim.Dinh@waterboards.ca.gov Phone: 916-341-5729		EPA PROJECT OFFICER Stephanie Hung 75 Hawthorne Street, WTR-4 San Francisco, CA 94105 Email: Hung.Stephanie@epa.gov Phone: 415-972-3701		EPA GRANT SPECIALIST Danielle Tucker Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Tucker.Danielle.E@epa.gov Phone: 415-972-3871	
PROJECT TITLE AND DESCRIPTION WIIN Act - Assistance for Small and Disadvantaged Communities Drinking Water Grant Program - BIL See Attachment 1 for project description.					
BUDGET PERIOD 10/01/2024 - 09/30/2030		PROJECT PERIOD 10/01/2024 - 09/30/2030		TOTAL BUDGET PERIOD COST \$ 82,961,000.00	
				TOTAL PROJECT PERIOD COST \$ 82,961,000.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/24/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 82,961,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 82,961,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>					
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer					DATE 09/25/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 82,961,000	\$ 82,961,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 82,961,000	\$ 82,961,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.442 - Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	Safe Drinking Water Act: Sec. 1459A & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2409W41019	24	E4SD	09L2	000BL8X87	4101	-	-	\$ 82,961,000
									\$ 82,961,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 1,127,594
2. Fringe Benefits	\$ 543,500
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 79,880,171
9. Total Direct Charges	\$ 81,551,265
10. Indirect Costs: 0.00 % Base	\$ 1,409,735
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 82,961,000
12. Total Approved Assistance Amount	\$ 82,961,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 82,961,000
15. Total EPA Amount Awarded To Date	\$ 82,961,000

Attachment 1 - Project Description

This agreement provides funding under the Infrastructure Investment and Jobs Act (IIJA) to the State of California to implement resources and priorities to help address Per- and polyfluoroalkyl substances (PFAS) and emerging contaminant challenges; target resources to communities most in need of assistance to ensure that no community is left behind with unsafe, inadequate water; and advance the priorities of equity and environmental justice. The State of California will implement projects such as testing and monitoring for PFAS, 1,2,3-trichloropropane, manganese, methyl tert-butyl ether, and perchlorate, and planning and designing treatment solutions with the use of this award funding.

This assistance agreement provides full federal funding in the amount of \$82,961,000. See Terms and Conditions.

The activities include projects and activities to address emerging contaminants in small or disadvantaged communities, including but not limited to research and testing; planning and design to address emerging contaminants; treatment of emerging contaminants; source water activities related to emerging contaminants; storage; water system restructuring; providing households access to drinking water services; technical assistance; outreach and education; and workforce or training support to public water systems in addressing emerging contaminants. This agreement is to an eligible state or territory to implement a program to provide assistance to address emerging contaminants in drinking water to small or disadvantaged communities. Funds are to carry out projects and activities needed for public water systems to comply with the Safe Drinking Water Act, programs to provide household water quality testing, activities for a state to respond to a drinking water contaminants, and activities that benefit the impacted communities.

The anticipated deliverables include gathering PFAS and manganese monitoring data at public water systems servicing small and disadvantaged communities, developing plans and designs for treatment solutions.

The expected outcomes include characterizing the occurrence of PFAS and other emerging contaminants in public water systems throughout the state and identifying optimal treatment solutions to address the contamination.

The intended beneficiaries include California residents living in small and disadvantaged communities.

Direct Beneficiaries of this program include all state residents and occupants, both permanent and temporary. Under this assistance agreement, The California State Water Resources Control Board will subaward funds to public water systems to support eligible activities and projects that will aim to address emerging contaminants in drinking water.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance with 2 CFR Part 200.324, the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually

whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled “annual” in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the “Final Report (project completed)” in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Subaward(s)

The recipient's approved budget includes subaward(s). As applicable, the recipient will comply with the General Term and Condition on reporting of first tier subawards to www.fsrs.gov per “Reporting Subawards and Executive Compensation” requirement.

Programmatic Conditions

Programmatic Terms and Conditions

a.PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT

Work Plan

The recipient agrees to perform the activities identified and specified in the approved work plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the EPA Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to notify EPA of modifications or challenges as they arise through the development and progress of the projects and related activities in order to modify workplans or budgets as appropriate to meet the obligations of the project receiving funding. The recipient must submit modifications for EPA approval prior to continued project progress, and related activities. Recipient will meet with EPA regional programmatic and technical point of contact routinely, during the length of the performance period, to review workplan progress and expenditures, challenges to progress of project progress, and public outreach to the communities and stakeholders that are beneficiaries of the grant project and/or activities. EPA's Program and Project Officer will provide recipient(s) with additional instructions and information pertaining to reporting no more than 30 days after receipt of award. Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award.

Performance Reports – Content

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports to the EPA's Office of Water's State Revolving Fund data system, with review from the EPA Project Officer, after the end of each reporting period that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. 4). Data and details on outreach, training, and technical assistance activities, as described in the project's workplan, that occurred during the reporting period. This may include, but are not limited to: a. Amount, type, name, number of participants, and other pertinent details on outreach and training activities, including a list of communities that were contacted as part of the outreach; b. Difficulties with any outreach and training activities; c. Projected number of outreach and training activities for the next performance period; d. information on workforce development and training, including (1) on-the-job training; (2) Skills development; (4) advanced training or certification in the water utility sector relating to construction, utility operations treatment and distribution, green infrastructure, customer service, maintenance, and engineering.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

The report will reflect information pertaining to the state and its agency with oversight and the work

performed to meet the objectives of the program and the grant activity during the period of performance. Reporting must provide a comprehensive review of the small or disadvantaged communities receiving assistance; the type of assistance provided / activities performed; and the breakdown of financial and direct grant assistance which subsidized the activities performed during the reporting cycle. The recipient will coordinate with the appropriate EPA regional office on reporting elements after the application has been approved for award. These performance reports shall cover work status, work progress, difficulties encountered, preliminary data results and a statement of activity anticipated during the subsequent reporting period, a discussion of expenditures along with a comparison of the percentage of the project completed to the project schedule and an explanation of significant discrepancies shall be included in the report. The report shall also include any changes of key personnel concerned with the project.

The following information is to be included as part of each performance report, as well as in the final report as a cumulative total of completed work. The information will also be the following:

- 1) Grant ID number.
- 2) Indicate the semi-annual performance period [date] to [date].
- 3) PWS Number(s) (if applicable):
- 4) The report summary will describe the progress of the project and/or activity provided during the reporting period. It also identifies the following information:
 - Census tract/block of benefitting communities
 - Project start date/completion date
 - Awarded amount
 - Amount of awarded federal funds spent during the reported performance period
 - Total Project Cost
 - [If project includes more than the funded amount, breakdown project by funding amounts and identify types of funding, *e.g. state funding, other federal funding, private funding, etc.*
 - List of emerging contaminants being addressed:
 - [INSERT List of Contaminants being addressed]
 - Community Type (indicate and describe the community, including census tract information):
 - Small
 - Disadvantaged
 - Both small and disadvantaged

- Does the project address climate resiliency?
- Yes, it meets the XXXXX Standards
- Provide detailed information regarding the resiliency component of the project, including percentage of the grant directed to also address climate resiliency]
- Project Type (multiple selections allowed):
- Treatment
- Include description of project
- Transmission and Distribution
- Include description of project
- Source
- Include description of project
- Storage
- Include description of project
- Creation of New Systems
- Include description of project
- Consolidation
- Include description of project
- Household water quality testing, including for unregulated contaminants
- Include description of project
- Assistance to increase technical, managerial, and financial (TMF) capacity

- Did the project or activities include information on the removal of emerging contaminants
- Drinking water contamination response efforts
- Include description of project
- Other (includes space for a narrative description)
- Public Health Impact Description (narrative)
- Population served (either by Project or by the System)

Interim performance and final progress reports must prominently display the three Essential Elements for state work plans: 1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame/schedule.

(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

Performance Reports - Frequency

The recipient will submit **semi-annual** and **annual** performance reports, which are required. Semi-annual reports are to be submitted electronically to the EPA Project Officer within 30 days after the reporting period (every six-month period). The reporting periods are 10/01–03/31 and 4/01– 09/30. Semi-annual reports are to be submitted electronically within 30 days after the semi-annual reporting period ends. The annual reporting period is from 10/01 through 09/30. Annual reports are to be submitted electronically within 90 days after the annual reporting period ends. The semi-annual and annual reports must include progress towards the outcomes and outputs of the performance period. In accordance with 2CFR 200.329, the recipient must submit a final performance report no later than 120 days after the end date of the period of performance.

The second semiannual report in a given year may be combined with the annual report. The combined semi-annual and annual reports are due 30 days after the end of the reporting period.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance, or the project is completion date and/or when all funding is expended.

Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award.

Subaward Performance Reporting

The recipient must report on its subaward activities and monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

b. Cybersecurity Condition

State Grant Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c. Conditional Award

EPA has conditionally approved the workplan to allow the recipient to proceed to work on approved workplan components. The recipient may incur costs on eligible activities associated with the approved

workplan components up to **\$82,961,000.00**. Until a final workplan has been approved by EPA

- 1) the recipient should not request payments and EPA will not make payments for unapproved work; and
- 2) any costs incurred for unapproved work by the recipient are at its own risk.

d. Competency Policy

Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> for a copy may also be requested by contacting the EPA Project Officer for this award.

e. Signage Required

1. Signage Requirements

a. Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Bipartisan Infrastructure Law” or “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investingamerica-signage>.

b. Procuring Signs: State agencies and agencies of political subdivisions of states must comply with 2 CFR 200.323, Procurement of recovered materials when procuring signage for projects funded by EPA assistance agreement. EPA encourages other recipients to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are

allowable, provided the costs are reasonable.

2.Public or Media Events

The Recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

f.Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

g.EPASS Security

In accordance with Homeland Security Presidential Directive-12 (HSPD-12), "Policy for a Common Identification Standard of Federal Employees and Contractors;" Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information;" and Executive Order 13488, "Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust," the recipient agrees to follow instructions from the EPA project officer to ensure compliance with the EPA Personnel Access and Security System (EPASS).

Prior to beginning work at an EPA facility, the recipient, or its employees or program participants, must complete either:

A. A favorable fingerprint check for recipients (and their employees or program participants) who require six (6) months or less of unescorted physical access to EPA facilities; or

B. A favorable background investigation and fingerprint check for recipients (and their employees or program participants) who require more than six (6) months of unescorted physical access to EPA facilities.

Recipients, their employees, or program participants may not be permitted access to EPA facilities until meeting these requirements.

Recipients may initiate the appropriate check through the following link: <https://cdx.epa.gov>

Failure of a recipient, their employees, or program participants to receive a favorable fingerprint or background check, whichever is applicable, shall result in the termination of the recipient, the employees, or program participants from continued enrollment in the program.

h. Quality Assurance

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award

recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

1. Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

- i. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the previously EPA-approved QAPP is acceptable for this agreement.

For Reference:

- EPA QA/G-5: Guidance for Quality Assurance Project Plans, Appendix C provides a QAPP Checklist.
- EPA's Quality Program website has a list of QA managers, and Non-EPA Organizations Quality Specifications.
- The Office of Grants and Debarment Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance.

i. REAL PROPERTY

Note that under SDWA § 1459A(g) [42 U.S.C. 300j-19a(g)], this funding cannot be used to purchase land, easements, rights-of way, or relocations (prohibited by statute). In accordance with 2 CFR 200.311, land improvements under this agreement will vest upon acquisition in the recipient. Said improvements must be for the originally authorized purpose as long as needed for that purpose and through project completion, during which time the recipient must not dispose of or encumber its title or other interests in accordance with 2 CFR 200.311.

j. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must ~~not~~ be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the California State Water Resources Board received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

k. DURC/iDURC

The recipient agrees to not initiate any life sciences research involving agents and toxins identified in Section 6.2.1 of the United States Government Policy for Institutional Oversight of Life Sciences Dual Use Research of Concern (iDURC Policy) until appropriate review and clearance by the recipient institution's Institutional Review Entity (IRE). The recipient also agrees to temporarily suspend life

sciences research in the event that, during the course of the research project, the IRE determines that the life sciences research meets the definition of DURC in the DURC Policy, and the recipient agrees to notify the EPA Institutional Contact for Dual Use Research (ICDUR) (DURC@epa.gov) of the institution's determination.

I. National Programmatic Term and Condition for Fellowship, Internship Programs and Similar Programs Supported by EPA Financial Assistance

1. EPA funds for this program may only be used for participant support cost payments, scholarships, tuition remission and other forms of student aid for citizens of the United States, its territories, or possessions, or for individuals lawfully admitted to the United States for permanent residence.

2. The recipient and program participants are responsible for taxes, if any, on payments made to or on behalf of individuals participating in this program that are allowable as participant support costs under 2 CFR 200.1 or 2 CFR 200.456 and scholarships and other forms of student aid such as tuition remission under 2 CFR 200.466. EPA encourages recipients and program participants to consult their tax advisers, the U.S. Internal Revenue Service, or state and local tax authorities regarding the taxability of stipends, tuition remission and other payments. However, EPA does not provide advice on tax issues relating to these payments.

3. Participant support cost payments, scholarships, and other forms of student aid such as tuition remission are lower tiered covered Nonprocurement transactions for the purposes of 2 CFR 180.300 and EPA's Suspension and Debarment Term and Condition. Recipients, therefore, may not make participant support cost payments to individuals who are excluded from participation in Federal Nonprocurement programs under 2 CFR Part 180. Recipients are responsible for checking the eligibility of program participants in the System for Award Management (SAM) or obtaining eligibility certifications from the program participants.

See EPA Guidance on Participant Support Costs.

END-OF-DOCUMENT

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		GRANT NUMBER (FAIN): 98T84501 MODIFICATION NUMBER: 0 PROGRAM CODE: 48		DATE OF AWARD 09/01/2023	
			TYPE OF ACTION New		MAILING DATE 09/07/2023	
			PAYMENT METHOD: ASAP		ACH# 90020	
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov			
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814			
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST		
Josh Ziese 1001 I Street Sacramento, CA 95814 Email: Joshua.Ziese@waterboards.ca.gov Phone: 916-445-9501		Stephanie Hung 75 Hawthorne Street, WTR-4 San Francisco, CA 94105 Email: Hung.Stephanie@epa.gov Phone: 415-972-3701		Lamont Nowlin Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Nowlin.Lamont@epa.gov Phone: 415-972-3205		
PROJECT TITLE AND DESCRIPTION BIL - Assistance for Small and Disadvantaged Communities See Attachment 1 for project description.						
BUDGET PERIOD 07/01/2023 - 06/30/2028		PROJECT PERIOD 07/01/2023 - 06/30/2028		TOTAL BUDGET PERIOD COST \$169,115,000.00		
				TOTAL PROJECT PERIOD COST \$169,115,000.00		
NOTICE OF AWARD						
Based on your Application dated 07/13/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$169,115,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$169,115,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.						
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS			
U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY						
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer					DATE 09/01/2023	

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$169,115,000	\$169,115,000
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$169,115,000	\$169,115,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.442 - Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	Safe Drinking Water Act: Sec. 1459A & Infrastructure Investment and Jobs Act (IIJA) (PL 117-58)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2309W41032	23	E4SD	09L2	000BL8X87	4101	-	-	\$84,557,500
-	2309W41032	22	E4SD	09L2	000BL8X87	4101	-	-	\$84,557,500
									\$169,115,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$169,115,000
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$169,115,000
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$169,115,000
12. Total Approved Assistance Amount	\$169,115,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$169,115,000
15. Total EPA Amount Awarded To Date	\$169,115,000

Attachment 1 - Project Description

This agreement provides funding under the Infrastructure Investment and Jobs Act (IIJA) to the State of California to implement resources and priorities to help address Per- and polyfluoroalkyl substances (PFAS) and emerging contaminant challenges; target resources to communities most in need of assistance to ensure that no community is left behind with unsafe, inadequate water; and advance the priorities of equity and environmental justice. California will provide technical assistance to public water systems serving small or disadvantaged communities to address PFAS and other emerging contaminants with this award funding.

This assistance agreement provides full federal funding in the amount of \$169,115,000. Pre-award costs have been approved back to 07/01/2023. The activities include projects and activities to address emerging contaminants in small or disadvantaged communities, including but not limited to research and testing; planning and design to address emerging contaminants; treatment of emerging contaminants; source water activities related to emerging contaminants; storage; water system restructuring; providing households access to drinking water services; technical assistance; outreach and education; and workforce or training support to public water systems in addressing emerging contaminants. This agreement is to an eligible state or territory to implement a program to provide assistance to address emerging contaminants in drinking water to small or disadvantaged communities. Funds are to carry out projects and activities needed for public water systems to comply with the Safe Drinking Water Act, programs to provide household water quality testing, activities for a state to respond to a drinking water contaminants, and activities that benefit the impacted communities.

The anticipated deliverables include sampling emerging contaminants at all community water systems serving small and disadvantaged communities, technical evaluation of solutions to address emerging contaminants, planning and construction of treatment solutions, public outreach and engagement, testing of private wells for potential connection with existing public water systems.

The expected outcomes include reduction in PFAS and other emerging contaminants in drinking water of small and disadvantaged communities in California.

The intended beneficiaries include residents of small and disadvantaged communities throughout the state.

Direct Beneficiaries of this program include all state residents and occupants, both permanent and temporary. No subawards are included in this assistance agreement.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **September 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance with 2 CFR Part 200.324, the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For

the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. For section 2B, the Region 9 EPA DBA Coordinator is Alexandra Perez, email: GrantsRegion9@epa.gov, phone: 415-972-3826.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Indirect Costs

The Cost Principles under 2 CFR Part 200, Subpart E apply to this award. Since there are no indirect costs included in the assistance budget, they are not allowable under this Assistance Agreement.

Programmatic Conditions

a. Performance Reporting and Final Performance Report

Work Plan: The recipient agrees to perform the activities identified and specified in the approved work plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the EPA Project Officer copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to notify EPA of modifications or challenges as they arise through the development and progress of the projects and related activities in order to modify workplans or budgets as appropriate to meet the obligations of the project receiving funding. The recipient must submit modifications for EPA approval prior to continued project progress, and related activities. Recipient will meet with EPA regional programmatic and technical point of contact routinely, during the length of the performance period, to review workplan progress and expenditures, challenges to progress of project progress, and public outreach to the communities and stakeholders that are beneficiaries of the grant project and/or activities. EPA's Program and Project Officer will provide recipient(s) with additional instructions and information pertaining to reporting no more than 30 days after receipt of award. Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award.

Performance Reports - Content: In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports to the EPA's Office of Water's State Revolving Fund data system, with review from the EPA Project Officer, after the end of each reporting period that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. 4). Data and details on outreach, training, and technical assistance activities, as described in the project's workplan, that occurred during the reporting period. This may include, but are not limited to: a. Amount, type, name, number of participants, and other pertinent details on outreach and training activities, including a list of communities that were contacted as part of the outreach; b. Difficulties with any outreach and training activities; c. Projected number of outreach and training activities for the next performance period; d. information on workforce development and training, including (1) on-the-job training; (2) Skills development; (4) advanced training or certification in the water utility sector relating to construction, utility operations treatment and distribution, green infrastructure, customer service, maintenance, and engineering.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

The report will reflect information pertaining to the state and its agency with oversight and the work performed to meet the objectives of the program and the grant activity during the period of performance. Reporting must provide a comprehensive review of the small or disadvantaged communities receiving assistance; the type of assistance provided / activities performed; and the breakdown of financial and direct grant assistance which subsidized the activities performed during the reporting cycle. The recipient will coordinate with the appropriate EPA regional office on reporting elements after the application has been approved for award. These performance reports shall cover work status, work progress, difficulties encountered, preliminary data results and a statement of activity anticipated during the subsequent reporting period, a discussion of expenditures along with a comparison of the percentage of the project completed to the project schedule and an explanation of significant discrepancies shall be included in the report. The report shall also include any changes of key personnel concerned with the project.

The following information is to be included as part of each performance report, as well as in the final report as a cumulative total of completed work. The information will also be the following:

- 1) Grant ID number.
- 2) Indicate the quarterly performance period [date] to [date].
- 3) PWS Number(s) (if applicable):
- 4) The report summary will describe the progress of the project and/or activity provided during the reporting period. It also identifies the following information:
 - Census tract/block of benefiting communities
 - Project start date/completion date
 - Awarded amount
 - Amount of awarded federal funds spent during the reported performance period
 - Total Project Cost
 - [If project includes more than the funded amount, breakdown project by funding amounts and identify types of funding, e.g. *state funding, other federal funding, private funding, etc.*
 - List of emerging contaminants being addressed:
 - [INSERT List of Contaminants being addressed]
 - Community Type (indicate and describe the community, including census tract information):
 - Small
 - Disadvantaged
 - Both small and disadvantaged
 - Does the project address climate resiliency?

- Yes, it meets the XXXXX Standards
- Provide detailed information regarding the resiliency component of the project, including percentage of the grant directed to also address climate resiliency]
- Project Type (multiple selections allowed):
 - Treatment
 - Include description of project
 - Transmission and Distribution
 - Include description of project
 - Source
 - Include description of project
 - Storage
 - Include description of project
 - Creation of New Systems
 - Include description of project
 - Consolidation
 - Include description of project
 - Household water quality testing, including for unregulated contaminants
 - Include description of project
 - Assistance to increase technical, managerial, and financial (TMF) capacity
 - Did the project or activities include information on the removal of emerging contaminants
 - Drinking water contamination response efforts
 - Include description of project
 - Other (includes space for a narrative description)
 - Public Health Impact Description (narrative)
 - Population served (either by Project or by the System)

Interim performance and final progress reports must prominently display the three Essential Elements for state work plans:

1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame/schedule.

(See Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports for more information)

Performance Reports - Frequency: The recipient will submit **semi-annual** and **annual** performance reports. Semi-annual reports are to be submitted electronically to the EPA Project Officer due within 30 days after the reporting period ends (every six-month period). The semi-annual reporting periods are 10/01–03/31 and 04/01– 09/30. The annual reporting period is from 10/01 through 09/30 and the report is due within 90 days after the end of each reporting period. The semi-annual and annual reports must include progress towards the outcomes and outputs of the performance period.

The second semi-annual report in a given year may be combined with the annual report. The combined semi-annual and annual reports are due 30 days after the end of the reporting period.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance, or the project's completion date and/or when all funding is expended.

Remedies for delinquency on report may result in actions as described in 2 CFR 200.339 such as (a) temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity or (b) wholly or partly suspend or terminate the Federal award.

Subaward Performance Reporting: The recipient must report on its subaward activities and monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

b. State Grant Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the

requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

d. Signage Requirements

Investing in America Emblem: The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law" or "project funded by President Biden's Inflation Reduction Act" as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. The recipient will ensure compliance with the guidelines and design specifications provided by EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investingamerica-signage>.

Procuring Signs: State agencies and agencies of political subdivisions of states must comply with 2 CFR 200.323, Procurement of recovered materials when procuring signage for projects funded by EPA assistance agreement. EPA encourages other recipients to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.

e. Public or Media Events

The Recipient agrees to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement, and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

f. Quality Assurance

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

Quality Assurance Project Plan (QAPP)

Prior to beginning environmental information operations, the recipient must:

- i. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the previously EPA-approved QAPP is acceptable for this agreement.

For Reference:

- EPA QA/G-5: Guidance for Quality Assurance Project Plans, Appendix C provides a QAPP Checklist.
- EPA's Quality Program website has a list of QA managers, and Non-EPA Organizations Quality Specifications.
- The Office of Grants and Debarment Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance.

g. Use of Logos

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must ~~not~~ be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the California State Water Resources Control Board received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

*****END OF ASSISTANCE AGREEMENT*****

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	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		GRANT NUMBER (FAIN): 96982223 MODIFICATION NUMBER: 0 PROGRAM CODE: C6	DATE OF AWARD 08/24/2022
			TYPE OF ACTION New	MAILING DATE 08/29/2022
			PAYMENT METHOD: ASAP	ACH# 90020
			RECIPIENT TYPE: State	
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814 EIN: 68-0281986			Send Payment Request to: Contact RTPFC at: rtpfc-grants@epa.gov	
PROJECT MANAGER Rebecca Fitzgerald 1001 I Street Sacramento, CA 95814 Email: Rebecca.Fitzgerald@waterboards.ca.gov Phone: 916-341-5775			EPA PROJECT OFFICER Matthew Mitchell 75 Hawthorne Street, WTR-2-1 San Francisco, CA 94105 Email: Mitchell.Matthew@epa.gov Phone: 415-972-3508	
EPA GRANT SPECIALIST Maria Roverso Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: roverso.maria@epa.gov Phone: 415-972-3573				
PROJECT TITLE AND DESCRIPTION Water Quality Management Planning See Attachment 1 for project description.				
BUDGET PERIOD 10/01/2022 - 09/30/2027		PROJECT PERIOD 10/01/2022 - 09/30/2027		TOTAL BUDGET PERIOD COST \$2,208,805.00
				TOTAL PROJECT PERIOD COST \$2,208,805.00
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 07/15/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$2,208,805.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,208,805.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer				DATE 08/24/2022

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$2,158,805	\$2,158,805
EPA In-Kind Amount	\$0	\$50,000	\$50,000
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$2,208,805	\$2,208,805

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.454 - Water Quality Management Planning	Clean Water Act: Secs. 205(j)(1) & 205(j)(2) & Sec. 604(b)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$317,755
2. Fringe Benefits	\$122,526
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$1,389,223
9. Total Direct Charges	\$1,829,504
10. Indirect Costs: 0.00 % Base See T/Cs	\$379,301
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$2,208,805
12. Total Approved Assistance Amount	\$2,208,805
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$2,208,805
15. Total EPA Amount Awarded To Date	\$2,208,805

Attachment 1 - Project Description

This agreement is to fund the State of California's Water Quality Management Planning program to improve impaired water and protect unimpaired waters across the state by conducting planning that informs and supports implementation of Clean Water Act programs. In accordance with Clean Water Act section 205(j)(3), unless a waiver request is approved by EPA, the recipient will jointly develop workplans with and provide at least 40% of this award to regional or interstate watershed management planning agencies. California submitted a waiver request on April 29, 2022 and a supplemental waiver request on July 20, 2022. This agreement is supported by funding provided under the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58).

This agreement provides full federal funding in the amount of \$2,208,805, which includes \$50,000 for EPA in-kind services. See Terms and Conditions. The activities to be performed by State of California personnel include Biostimulation, Cyanotoxins, and Biological Condition Provisions, Aquatic Toxicity Alpha Values Amendment, Ocean Acidification and Hypoxia Ocean Plan Amendment, Microplastic Objective Scoping/Sampling and Assessment, Urban Pesticides Provisions, Equity and Environmental Justice Assessment and Climate Assessment, Basin Planning coordination with the Regional Boards, and grant program administration. The activities to be performed through subawards include Ceriodaphnia Toxicity Laboratory Method Improvement Study, Ocean Acidification and Hypoxia Objectives Technical and Stakeholder Support, Biostimulation, Cyanotoxin, and Biological Condition Technical and Stakeholder Support, Constituents of Emerging Concern Statewide Pilot Monitoring, Salton Sea Constructed Habitats Water Quality Characterization, and Sea Grant Fellows water quality work in 2024-2025. The deliverables to be provided under this agreement are: (PO insert specifics from the workplan).

Biostimulation, Cyanotoxins, and Biological Condition Provisions - Host 1-3 meetings. Host 1-3 Workshops. Outline of Provisions.

Aquatic Toxicity Alpha Values Amendment - Compile test data. Calculate alpha values. Submit results for peer review.

Ocean Acidification and Hypoxia Ocean Plan Amendment - Finalize project charter. Host at least one stakeholder meeting.

Microplastic Objective Scoping/Sampling and Assessment - Participate in Inter-Agency Plastic Pollution Steering Committee. Draft 2024 Integrated Report with microplastics assessment method.

Urban Pesticides Provisions - Draft pre-public Staff Report.

Equity and Environmental Justice Assessment and Climate Assessment - Write draft assessment and final assessment.

Ceriodaphnia Toxicity Laboratory Method Improvement Study - Oral report and technical memo of lab results. Oral report and technical memo of optimization of test conditions. Oral report and technical memo of confirmation testing. Draft recommendations report. Final

recommendations report. Release dataset with metadata.

Ocean Acidification and Hypoxia Objectives Technical and Stakeholder Support - Execute subgrant agreement. Provide technical support on model results and stakeholder coordination.

Biostimulation, Cyanotoxin, and Biological Condition Technical and Stakeholder Support - Execute subgrant agreement. The deliverables will likely include further data synthesis, technical writing to improve understanding and communication, and stakeholder coordination.

Constituents of Emerging Concern (CEC) Statewide Pilot Monitoring - Execute subgrant agreement. Implement the CEC EcoPanel's recommendations to sample, identify, and quantify CECs present in waterbodies across California to assess impacts to aquatic life and human health. Sampling efforts will focus on waters located in or near disadvantaged communities to further environmental justice.

Salton Sea Constructed Habitats Water Quality Characterization - Execute subgrant agreement. Samples and analysis of water quality constituents in constructed habitats in the Salton Sea. Results will be included in a report intended to characterize water quality to inform future water quality objectives for constructed habitats.

The expected outcomes resulting from these efforts include completion of activities that carry out a water quality management planning program with environmental outputs related to restoring the State of California's impaired waters and protecting healthy waters.

The intended beneficiaries include the people of the State of California and people that reside in other states and tribes that are affected by the quality California's water bodies. The following activities will be implemented through subawards: Ceriodaphnia Toxicity Laboratory Method Improvement Study, Ocean Acidification and Hypoxia Objectives Technical and Stakeholder Support, Biostimulation, Cyanotoxin, and Biological Condition Technical and Stakeholder Support, Constituents of Emerging Concern Statewide Pilot Monitoring, Salton Sea Constructed Habitats Water Quality Characterization.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **December 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance 2 CFR Part 200.324 the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions can be found at <https://www.epa.gov/grants/epa-form-5700-52a-united-states-environmental-protection-agency-minority-business>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the Simplified Acquisition Threshold (SAT) currently, set at \$250,000 (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For

the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. For section 2B, the Region 9 EPA DBA Coordinator is Alexandra Perez, email: GrantsRegion9@epa.gov, phone: 415-972-3826.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Reporting of EPA In-Kind Amount

This agreement includes funds for EPA in-kind services. Invoices will not be provided to the recipient for recording of actual in-kind cost, however, the total in-kind amount shall be reflected as an expenditure on the Federal Financial Report(s). If applicable, the recipient must satisfy the match requirements for the EPA in-kind amount.

Programmatic Conditions

a. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT

Performance Reports - Content

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

Performance Reports - Frequency

The recipient agrees to submit annual performance reports electronically to the EPA Project Officer due within 90 days after the annual reporting period ends on September 30th. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

Subaward Performance Reporting

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR

200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

b. State Grant Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(b) (2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c. Requirements for Tracking and Reporting Infrastructure Investment and Jobs Act Funding and Benefits

EPA may amend this agreement to specify additional requirements applicable to Infrastructure Investment and Jobs Act funding as information becomes available. In the interim, the recipient agrees to have financial management and programmatic management systems in place to:

- 1) track Infrastructure Investment and Jobs Act and "regular" 604(b) funds separately using Agency-provided accounting codes and report separately on expenditures of Infrastructure Investment and Jobs Act funds.
- 2) track and report on outputs and outcomes achieved with Infrastructure Investment and Jobs Act funds: Outputs and outcomes associated with Infrastructure Investment and Jobs Act 604(b) appropriations will be estimated by examining the proportion of activities funded by Infrastructure Investment and Jobs Act relative to those funded by "regular" 604(b) allotments.
- 3) states shall report to EPA Regions no less than annually (or more often as required by Infrastructure Investment and Jobs Act reporting requirements) on key project characteristics and milestone information, applying the proportional ratio to estimate those benefits resulting from Infrastructure Investment and Jobs Act-funded activities.

Additional Agency direction on tracking and reporting Infrastructure Investment and Jobs Act funding is contained in EPA's [Interim Implementation Guidelines for Clean Water Act Section 604\(b\) Water Quality Management Planning Grants for Fiscal Years 2022 through 2026](#).

d. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

e. EPA In-Kind Assistance

This action awards federal funds in the amount of \$2,208,805, of which \$50,000 is being awarded as in-kind assistance. EPA will direct the in-kind funding to work on CA pretreatment water quality planning.

f. QUALITY ASSURANCE

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

Quality Assurance Project Plan (QAPP)

Prior to beginning environmental information operations (i.e, new environmental information activities that are not included under the approved SWAMP QAPP), the recipient must:

- i. Develop a QAPP,
- ii. Prepare QAPP in accordance with the most current version of EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans,
- iii. Submit the document for EPA review, and
- iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

g. Fellowship, Internship Programs and Similar Programs Supported by EPA Financial Assistance

1. EPA funds for this program may only be used for participant support cost payments, scholarships, tuition remission and other forms of student aid for citizens of the United States, its territories, or possessions, or for individuals lawfully admitted to the United States for permanent residence.

2. The recipient and program participants are responsible for taxes, if any, on payments made to or on behalf of individuals participating in this program that are allowable as participant support costs under 2 CFR 200.1 or 2 CFR 200.456 and scholarships and other forms of student aid such as tuition remission under 2 CFR 200.466. EPA encourages recipients and program participants to consult their tax advisers, the U.S. Internal Revenue Service, or state and local tax authorities

regarding the taxability of stipends, tuition remission and other payments. However, EPA does not provide advice on tax issues relating to these payments.

3. Participant support cost payments, scholarships, and other forms of student aid such as tuition remission are lower tiered covered Nonprocurement transactions for the purposes of 2 CFR 180.300 and EPA's Suspension and Debarment Term and Condition. Recipients, therefore, may not make participant support cost payments to individuals who are excluded from participation in Federal Nonprocurement programs under 2 CFR Part 180. Recipients are responsible for checking the eligibility of program participants in the System for Award Management (SAM) or obtaining eligibility certifications from the program participants.

See EPA Guidance on Participant Support Costs.

h. Significant Changes

To determine if a postaward change in work plan commitments is significant and requires prior written approval for the purposes of 40 CFR §35.114(a) or 40 CFR §35.514(a), the recipient agrees to consult the EPA Project Officer (PO) before making the change. The term work plan commitments is defined at 40 CFR §35.102. If the PO determines the change is significant, the recipient cannot make the change without prior written approval by the EPA Award Official.

In addition, the recipient must provide written notice to EPA's PO and Grant Specialist (GS) of proposed transfers of funds of among direct budget categories, programs, functions and activities or transfers that change amounts budgeted for indirect costs, pursuant to the "Transfer of Funds" General Term and Condition. If the PO determines that a proposed transfer of funds significantly changes work plan commitments, the recipient must consult with the PO and obtain written approval by the EPA Award Official prior to making the transfer of funds. All transfers must be reported in required performance reports.

END OF DOCUMENT

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		GRANT NUMBER (FAIN): 96982224 MODIFICATION NUMBER: 0 PROGRAM CODE: C6		DATE OF AWARD 09/14/2023
			TYPE OF ACTION New		MAILING DATE 09/19/2023
			PAYMENT METHOD: ASAP		ACH# 90020
RECIPIENT TYPE: State			Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814 EIN: 68-0281986			PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814		
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
Rebecca Fitzgerald 1001 I Street Sacramento, CA 95814 Email: Rebecca.Fitzgerald@waterboards.ca.gov Phone: 916-341-5775		Matthew Mitchell 75 Hawthorne Street, WTR-2-1 San Francisco, CA 94105 Email: Mitchell.Matthew@epa.gov Phone: 415-972-3508		Lamont Nowlin Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Nowlin.Lamont@epa.gov Phone: 415-972-3205	
PROJECT TITLE AND DESCRIPTION WATER QUALITY MANAGEMENT PLANNING See Attachment 1 for project description.					
BUDGET PERIOD 10/01/2023 - 09/30/2028		PROJECT PERIOD 10/01/2023 - 09/30/2028		TOTAL BUDGET PERIOD COST \$2,202,000.00	
				TOTAL PROJECT PERIOD COST \$2,202,000.00	
NOTICE OF AWARD <p>Based on your Application dated 06/23/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$2,202,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,202,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
U.S. EPA, Region 9 , U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer					DATE 09/14/2023

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$2,127,000	\$2,127,000
EPA In-Kind Amount	\$0	\$75,000	\$75,000
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$2,202,000	\$2,202,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.454 - Water Quality Management Planning	Clean Water Act: Secs. 205(j)(1) & 205(j)(2) & Sec. 604(b)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$273,033
2. Fringe Benefits	\$131,601
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$225,000
7. Construction	\$0
8. Other	\$1,240,404
9. Total Direct Charges	\$1,870,038
10. Indirect Costs: 82.04 % Base See Terms and Conditions	\$331,962
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$2,202,000
12. Total Approved Assistance Amount	\$2,202,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$2,202,000
15. Total EPA Amount Awarded To Date	\$2,202,000

Attachment 1 - Project Description

This agreement is to fund the State of California's Water Quality Management Planning program to improve impaired water and protect unimpaired waters across the state by conducting planning that informs and supports implementation of Clean Water Act programs. In accordance with Clean Water Act section 205(j)(3), unless a waiver request is approved by EPA, the recipient will jointly develop workplans with and provide at least 40% of this award to regional or interstate watershed management planning agencies. California is providing about 36% of this award to regional watershed management planning agencies. California submitted a waiver request on May 25, 2023 which was approved by EPA on July 5, 2022. This agreement is supported by funding provided under the Infrastructure Investment and Jobs Act (IIJA) (PL 117-58). This agreement provides full federal funding in the amount of \$2,202,000, which includes \$75,000 for EPA in-kind services. See Terms and Conditions. The activities to be performed include the following water quality management planning activities. State of California personnel activities include Biostimulation, Cyanotoxins, and Biological Condition Provisions, Ocean Acidification and Hypoxia Ocean Plan Amendment, Basin Planning coordination with the Regional Boards, and grant program administration. Subaward activities include the Statewide Tribal Beneficial Use Designation and Standards Support, the Tribal Water Data Initiative, and Newport Bay Shellfish Fecal Coliform and Pathogen Correlation Substantiation Study. Pass-through activities include the Russian River Pathogen Reduction Planning Project, the West Fork Carson Prioritization Project, the Post Mountain Road Sediment Reduction Project, and the La Sierra Watershed Sediment Reduction Project. The deliverables to be provided under this agreement are: 1) Biostimulation, Cyanotoxins, and Biological Condition Provisions – White Papers, Regulatory Advisory Group Series of Workshops, Public Workshop. 2) Ocean Acidification and Hypoxia Ocean Plan Amendment – Project Charter, Issue Paper on Modeling and Research Needs, Stakeholder Engagement Plan. 3) Statewide Tribal Beneficial Use Designation and Standards Support – Draft Scope of Work, Final Scope of Work. 4) Tribal Water Data Initiative – Draft Scope of Work, Final Scope of Work, Subgrant Application Submission. 5) Newport Bay Shellfish Fecal Coliform Pathogen Correlation Substantiation Study – Draft Scope of Work, Final Scope of Work, Contract Application Submission. 6) Russian River Pathogen Reduction Planning Project – Analyze and Synthesize Data on Key Sources of Pathogens, Education and Outreach to Stakeholders. 7) West Fork Carson River Prioritization Project - Geomorphological Assessment and Sediment Transport Planning Model and A Project Prioritization Plan for the West Fork Carson River Watershed. 8) Post Mountain Road Sediment Reduction Project - Identify the Sources of Sediment Generated by Post Mountain Roads, Propose Road Treatments to Reduce Sources of Sediment, Obtain the Necessary Permits to Conduct Treatments. 9) La Sierra Watershed Sediment Reduction Project - Assess the Needs of Five Sites Impacted by Wildfires and Perform the Engineering and Permitting Required as of March 2024.

The expected outcomes resulting from these efforts include completion of activities that carry out a water quality management planning program with environmental outputs related to restoring the State of California's impaired waters and protecting healthy waters.

The intended beneficiaries include the people of the State of California and people that reside in other states and tribes that are affected by the quality California's water bodies. Subaward activities include the Statewide Tribal Beneficial Use Designation and Standards Support and the Tribal Water Data Initiative. Pass-through funds are also subawards that include the Russian River Pathogen Reduction Planning Project, the West Fork Carson Prioritization Project, the Post Mountain Road Sediment Reduction Project, and the La Sierra Watershed Sediment Reduction Project.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **December 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance with 2 CFR Part 200.324, the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. For section 2B, the Region 9 EPA DBA Coordinator is Alexandra Perez, email: GrantsRegion9@epa.gov, phone: 415-972-3826.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Reporting of EPA In-Kind Amount

This agreement includes funds for EPA in-kind services. Invoices will not be provided to the recipient for recording of actual in-kind cost, however, the total in-kind amount shall be reflected as an expenditure on the Federal Financial Report(s). If applicable, the recipient must satisfy the match requirements for the EPA in-kind amount.

Programmatic Conditions

a. Performance Reporting and Final Performance Report

Performance Reports – Content

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

Performance Reports - Frequency

The recipient agrees to submit bi-annual performance reports electronically to the EPA Project Officer within 60 days after the bi-annual reporting period ends on December 31 and June 30. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

Subaward Performance Reporting

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR

200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

b. State Grant Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c. Requirements for Tracking and Reporting Infrastructure Investment and Jobs Act Funding and Benefits

EPA may amend this agreement to specify additional requirements applicable to Infrastructure Investment and Jobs Act funding as information becomes available. In the interim, the recipient agrees to have financial management and programmatic management systems in place to:

1) track Infrastructure Investment and Jobs Act and "regular" 604(b) funds separately using Agency-provided accounting codes and report separately on expenditures of Infrastructure Investment and Jobs Act funds.

2) track and report on outputs and outcomes achieved with Infrastructure Investment and Jobs Act funds: Outputs and outcomes associated with Infrastructure Investment and Jobs Act 604(b) appropriations will be estimated by examining the proportion of activities funded by Infrastructure Investment and Jobs Act relative to those funded by "regular" 604(b) allotments.

3) states shall report to EPA Regions no less than annually (or more often as required by Infrastructure Investment and Jobs Act reporting requirements) on key project characteristics and milestone information, applying the proportional ratio to estimate those benefits resulting from Infrastructure Investment and Jobs Act-funded activities.

Additional Agency direction on tracking and reporting Infrastructure Investment and Jobs Act funding is contained in EPA's

Interim Implementation Guidelines for Clean Water Act Section 604(b) Water Quality Management Planning Grants for Fiscal Years 2022 through 2026.

d. Competency Policy

Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aiaa-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

e. In-Kind Assistance

This action awards federal funds in the amount of \$2,202,000. \$75,000 is being awarded as in-kind assistance. EPA will direct the in-kind funding to work on CA pretreatment water quality planning.

f. Quality Assurance

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations (i.e, new environmental information activities that are not included under the approved SWAMP QAPP), the recipient must:

- i. Develop a QAPP,
- ii. Prepare QAPP in accordance with the most current version of EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans.
- iii. Submit the document for EPA review, and
- iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

*****END OF ASSISTANCE AGREEMENT*****

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement	GRANT NUMBER (FAIN): 96982225 MODIFICATION NUMBER: 0 PROGRAM CODE: C6		DATE OF AWARD 08/27/2024
		TYPE OF ACTION New		MAILING DATE 08/30/2024
		PAYMENT METHOD: ASAP		ACH# 90020
		RECIPIENT TYPE: State		
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O BOX 1888 SACRAMENTO, CA 95812-1888 EIN: 68-0281986		PAYEE: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O BOX 1888 SACRAMENTO, CA 95812-1888		
PROJECT MANAGER Rebecca Fitzgerald 1001 I STREET, 18TH FLOOR P.O. BOX 1888 SACRAMENTO, CA 95814-9996 Email: Rebecca.Fitzgerald@waterboards.ca.gov Phone: 916-341-5775		EPA PROJECT OFFICER Matthew Mitchell 75 Hawthorne Street, WTR-2-1 San Francisco, CA 94105 Email: Mitchell.Matthew@epa.gov Phone: 415-972-3508		EPA GRANT SPECIALIST Danielle Tucker Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Tucker.Danielle.E@epa.gov Phone: 415-972-3871
PROJECT TITLE AND DESCRIPTION Water Quality Management Planning See Attachment 1 for project description.				
BUDGET PERIOD 10/01/2024 - 09/30/2029	PROJECT PERIOD 10/01/2024 - 09/30/2029	TOTAL BUDGET PERIOD COST \$ 2,387,000.00	TOTAL PROJECT PERIOD COST \$ 2,387,000.00	
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 06/11/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 2,387,000.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 2,387,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>				
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer				DATE 08/27/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 0	\$ 2,387,000	\$ 2,387,000
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 0	\$ 2,387,000	\$ 2,387,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.454 - Water Quality Management Planning	Clean Water Act: Secs. 205(j)(1) & 205(j)(2) & Sec. 604(b)	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart A

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2409W21012	24	E2	09L2	000B80	4117	24CA	-	\$ 590,000
-	2409W21012	24	E2SD	09L2	000B80X70	4117	24CA	-	\$ 1,643,000
-	2409W21012	24	E2SD	09L2	000B80X72	4117	24CA	-	\$ 154,000
									\$ 2,387,000

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 286,684
2. Fringe Benefits	\$ 150,022
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 1,581,889
9. Total Direct Charges	\$ 2,018,595
10. Indirect Costs: 0.00 % Base See Terms and Conditions	\$ 368,405
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 2,387,000
12. Total Approved Assistance Amount	\$ 2,387,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 2,387,000
15. Total EPA Amount Awarded To Date	\$ 2,387,000

Attachment 1 - Project Description

This agreement is to fund the State of California's Water Quality Management Planning program to improve impaired water and protect unimpaired waters across the state by conducting planning that informs and supports implementation of Clean Water Act programs.

This assistance agreement provides full federal funding in the amount of \$2,387,000. See Terms and Conditions.

The activities to be performed include the following water quality management planning activities. State of California personnel activities include Biostimulation, Cyanotoxins, and Biological Condition Provisions, Ocean Acidification and Hypoxia Ocean Plan Amendment, Basin Planning coordination with the Regional Boards, and grant program administration. Subaward activities include the Statewide Tribal Beneficial Use Designation Support, the Tribal Beneficial Use Identification in Ventura and Los Angeles Counties, Ocean Acidification and Hypoxia Modeling, Constituents of Emerging Concern Statewide Pilot Monitoring Supplement, East Fork Carson River Prioritization Project, the Werner Lake Restoration and Water Quality Improvement Planning Project, and work by Sea Grant Fellows assisting on Ocean Plan amendments and the State Water Quality Protection Area process. Pass-through activities include Assistance for Management Practice Planning Project in the Los Angeles Region. The deliverables to be provided under this agreement are: 1) Biostimulation, Cyanotoxins, and Biological Condition Provisions – Amend Project Charter, Draft Data-backed Problem Statement, Water Board Internal Advisory Group, Public Workshops. 2) Ocean Acidification and Hypoxia Ocean Plan Amendment – Report on the findings of the Independent Review Panel of the ROMS-BEC Model, Outline of the Ocean Plan Amendment. 3) Statewide Tribal Beneficial Use Designation and Standards Support – To be determined. 4) Tribal Beneficial Use Identification in Ventura and Los Angeles Counties - To be determined. 5) Ocean Acidification and Hypoxia Modeling - To be determined. 6) Constituents of Emerging Concern Statewide Pilot Monitoring Supplement - To be determined. 7) East Fork Carson River Prioritization Project - To be determined. 8) Werner Lake Restoration and Water Quality Improvement Planning Project - To be determined. 9) Assistance for Management Practice Planning Project in the Los Angeles Region - To be determined, 10) Sea Fellow Subaward to Assist on Ocean Plan amendments - To be determined, 11) Sea Fellow Subaward in Regional Board 3 to assist on State Water Quality Protection Area Process - To be determined.

Grant will be conditionally approved pending California submission and EPA approval of an amended workplan with subaward deliverables.

The expected outcomes resulting from these efforts include completion of activities that carry out a water quality management planning program with environmental outputs related to restoring the State of California's impaired waters and protecting healthy waters.

The intended beneficiaries include the people of the State of California and people that reside in other states and tribes that are affected by the quality California's water bodies. Subaward activities include the Statewide Tribal Beneficial Use Designation Support, the Tribal Beneficial Use Identification in Ventura and Los Angeles Counties, Ocean Acidification and Hypoxia Modeling, Constituents of Emerging Concern Statewide Pilot Monitoring Supplement, East Fork Carson River Prioritization Project, the Werner Lake Restoration and Water Quality Improvement Planning Project, and work by Sea Grant Fellows assisting on Ocean Plan amendments and the State Water Quality Protection Area process. Pass-through subaward activities include Assistance for Management Practice Planning Project in the Los Angeles Region.

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **December 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance with 2 CFR Part 200.324, the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions is located at <https://www.epa.gov/grants/epa-grantee-forms>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the **Simplified Acquisition Threshold (SAT) currently set at \$250,000** (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. All procurement actions are reportable when reporting is required, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually

whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 4A when completing the form.

When completing the annual report, recipients are instructed to check the box titled “annual” in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the “Final Report (project completed)” in section 1B of the form.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Subaward(s)

The recipient's approved budget includes subaward(s). As applicable, the recipient will comply with the General Term and Condition on reporting of first tier subawards to www.fsrs.gov per “Reporting Subawards and Executive Compensation” requirement.

Programmatic Conditions

Grant Programmatic Terms and Conditions

a. PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT

Performance Reports – Content

In accordance with 2 CFR 200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) The reasons why established outputs/outcomes were not met; and 3) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

Interim performance and final progress reports must prominently display the three Essential Elements for state work plans: 1) Strategic Plan Goal; (2) Strategic Plan Objective; and (3) Workplan Commitments plus time frame.

(See [Grants Policy Issuance 11-03 State Grant Workplans and Progress Reports](#) for more information)

Performance Reports - Frequency

The recipient agrees to submit bi-annual performance reports electronically to the EPA Project Officer within 30 days after the bi-annual reporting period ends on December 31 and June 30. The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

Subaward Performance Reporting

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

b. State Grant Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c. Requirements for Tracking and Reporting Infrastructure Investment and Jobs Act Funding and Benefits

EPA may amend this agreement to specify additional requirements applicable to Infrastructure Investment and Jobs Act funding as information becomes available.

In the interim, the recipient agrees to have financial management and programmatic management systems in place to:

- 1) track Infrastructure Investment and Jobs Act and "regular" 604(b) funds separately using Agency-provided accounting codes and report separately on expenditures of Infrastructure Investment and Jobs Act funds.
- 2) track and report on outputs and outcomes achieved with Infrastructure Investment and Jobs Act funds: Outputs and outcomes associated with Infrastructure Investment and Jobs Act 604(b) appropriations will be estimated by examining the proportion of activities funded by Infrastructure Investment and Jobs Act relative to those funded by "regular" 604(b) allotments.
- 3) states shall report to EPA Regions no less than annually (or more often as required by Infrastructure Investment and Jobs Act reporting requirements) on key project characteristics and milestone information, applying the proportional ratio to estimate those benefits resulting from Infrastructure

Investment and Jobs Act-funded activities.

Additional Agency direction on tracking and reporting Infrastructure Investment and Jobs Act funding is contained in EPA's Interim Implementation Guidelines for Clean Water Act Section 604(b) Water Quality Management Planning Grants for Fiscal Years 2022 through 2026.

d. Conditional Award

EPA has conditionally approved the workplan to allow the recipient to proceed to work on approved workplan components. The recipient may incur costs on eligible activities associated with the approved workplan components up to \$805,111. Until a final revised workplan has been approved by EPA:

- 1) the recipient should not request payments and EPA will not make payments for unapproved work; and
- 2) any costs incurred for unapproved work by the recipient are at its own risk.

The following projects in the workplan are currently not approved: All projects listed Section IV. Subgrants & Contracts and the one project listed in Section V. Pass Through Projects. The recipient may revise the workplan to include tasks and deliverables for these projects and submit the revisions for EPA approval.

e. Competency Policy

Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

f. QUALITY ASSURANCE

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in 2 C.F.R. § 1500.12 Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

i. Develop a QAPP,

ii. Prepare QAPP in accordance with the current version of EPA's Quality Assurance Project Plan (QAPP) Standard,


iii. Submit the document for EPA review, and

iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

For Reference:

- Quality Management Plan (QMP) Standard and EPA's Quality Assurance Project Plan (QAPP) Standard; contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- EPA QA/G-5: Guidance for Quality Assurance Project Plans.
- (QAM and/or PO may insert QA references that inform or assist the recipient here).
- EPA's Quality Program website has a list of QA managers, and Non-EPA Organizations Quality Specifications.
- The Office of Grants and Debarment Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance.

END-OF-DOCUMENT

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		GRANT NUMBER (FAIN): 98T40501 MODIFICATION NUMBER: 1 PROGRAM CODE: SO	DATE OF AWARD 04/30/2024
			TYPE OF ACTION Augmentation: Increase	MAILING DATE 05/03/2024
			PAYMENT METHOD: ASAP	ACH# 90020
			RECIPIENT TYPE: State	
RECIPIENT: STATE OF CALIFORNIA WATER RESOURCES CONTROL BOARD P O BOX 1888 SACRAMENTO, CA 95812-1888 EIN: 68-0281986			Send Payment Request to: Contact RTPFC at: rtpfc-grants@epa.gov	
PROJECT MANAGER Kim Dinh 1001 I Street Sacramento, CA 95814 Email: kim.dinh@waterboards.ca.gov.. Phone: 916-341-5729			EPA PROJECT OFFICER Sara Jacobs 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Jacobs.Sara@epa.gov Phone: 415-972-3564	EPA GRANT SPECIALIST Danielle Tucker Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Tucker.Danielle.E@epa.gov Phone: 415-972-3871
PROJECT TITLE AND EXPLANATION OF CHANGES Sewer Overflow and Stormwater Reuse This agreement provides funding to support the California State Water Resources Control Board project to provide subawards to local municipalities in California for costs associated with the planning, design, and construction of eligible water quality improvement and protection projects. This amendment provides incremental federal funding in the amount of \$262,220. The budget and project start and end dates of 06/21/2024-06/30/2025 are changed to 08/18/2022-08/17/2026. Preaward costs approved from 06/21/2021 are rescinded. See terms and conditions.				
BUDGET PERIOD 08/18/2022 - 08/17/2026	PROJECT PERIOD 08/18/2022 - 08/17/2026	TOTAL BUDGET PERIOD COST \$ 14,625,882.00	TOTAL PROJECT PERIOD COST \$ 14,625,882.00	
NOTICE OF AWARD Based on your Application dated 05/13/2022 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 262,220.00. EPA agrees to cost-share <u>80.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 7,429,220.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105			ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer				DATE 04/30/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 7,167,000	\$ 262,220	\$ 7,429,220
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 2,925,117	\$ 0	\$ 2,925,117
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 10,092,117	\$ 262,220	\$ 10,354,337

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.447 - Sewer Overflow and Stormwater Reuse Municipal Grant Program	Clean Water Act: Sec. 221	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2409W33014	23	E4	09L2	000BM6	4159	-	-	\$ 262,220
									\$ 262,220

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 181,456
2. Fringe Benefits	\$ 69,970
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 2,925,177
7. Construction	\$ 0
8. Other	\$ 11,232,676
9. Total Direct Charges	\$ 14,409,279
10. Indirect Costs: 0.00 % Base	\$ 216,603
11. Total (Share: Recipient <u>20.00</u> % Federal <u>80.00</u> %)	\$ 14,625,882
12. Total Approved Assistance Amount	\$ 11,700,705
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 262,220
15. Total EPA Amount Awarded To Date	\$ 7,429,220

Administrative Conditions

All Administrative Terms and Conditions Remain the Same.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

Previous Programmatic Terms and Conditions are superseded by the following. These conditions apply henceforth.

a.] PERFORMANCE REPORTING AND FINAL PERFORMANCE REPORT

BI-ANNUAL PERFORMANCE REPORTING: In accordance with 2 CFR §200.329, the recipient must submit performance reports electronically to the EPA Project Officer due within 30 days after the end of the reporting period. Biannual reporting periods are July 1 - December 31 and January 1 - June 30; therefore, progress reports are due January 30 and July 30 of each year for the duration of the project. Further, in accordance with 2 CFR 200.329, the recipient agrees to report on key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the workplan; 2) the reasons for delays if established outputs or outcomes were not met; and 3) any additional pertinent information on environmental/public health results. Information provided in the reports helps monitor the state's progress with implementing its project and also directly supports the grant program by highlighting measurable accomplishments to the public and Congress. Additionally, the recipient agrees to inform EPA as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan are known.

The final performance report is due no later than 120 calendar days after the period of performance end date and summarize accomplishments, expenditures, outcomes, outputs, lessons learned, and any other resources leveraged during the project and how they were used.

b.] STATE GRANT CYBERSECURITY

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

c.] COST SHARING REQUIREMENTS

The recipient agrees that at least 20 percent of the total project costs will come from non-Federal sources for all agreements that do not provide for subawards for eligible projects in rural and/or financially distressed communities. The recipient must, to the maximum extent practicable, prevent the non-Federal cost share requirements of the OSG program from being passed on to subrecipients that are considered rural communities with populations of 10,000 or less and/or financially distressed communities that meet affordability criteria established by the state after public review and comment per 33 U.S.C § 1301(f)(2)(B)(i). To encourage subawards for eligible projects in rural and/or financially distressed communities, EPA will reduce the required cost share for recipients that make such subawards. To apply for a cost share reduction, recipients must provide proof of eligible subawards in rural or financially distressed communities, as defined in 33 U.S.C. § 1301(f)(2)(B)(i). The documentation should be submitted to the EPA Project Officer and include the following information for each subaward:

- The identification of each subrecipient, including evidence that it qualifies under the definitions in 33 U.S.C §1301(f)(2)(B)(i);
- A description of the subaward's purpose; and
- The amount of the subaward.

Based on this information EPA will determine the applicable cost share reduction as follows: 1) EPA will calculate the percentage in the assistance agreement of total subaward dollars to eligible rural and/or financially distressed communities;

2) This percentage will be applied as a reduction to the original cost share percentage in the assistance agreement. For example, if a recipient provides 50% of its total subaward budget to rural and/or financially distressed communities, its cost share requirement will be reduced by 50% via a formal amendment to the assistance agreement. If the original cost share was 20%, the revised cost share in the amendment will be reduced by 50% to 10%.

d.] MINIMUM ALLOCATION REQUIREMENTS

1. Green Project Reserve

If a recipient has not offered a public solicitation to request subaward project applications in the past 12 months, then no later than 6 months after the date of award, a recipient must offer a public solicitation for project requests to provide communities an opportunity to participate in the program. To the extent sufficient projects are available, the recipient agrees that at least 20 percent of the Federal amount of the agreement must be used for: 1) green infrastructure, 2) water efficiency improvements, 3) energy efficiency improvements, or 4) other environmentally innovative activities. The recipient agrees to make a timely and concerted good faith solicitation for projects that address these four categories. A good faith solicitation must be open to all Green Project Reserve (GPR) eligible projects in each of the four GPR categories. The recipient's selection for projects will be deemed sufficient for these purposes as long as that selection was open to all GPR eligible projects in each of the four GPR categories. The recipient must document the GPR selection process in its Annual Report and explain, if applicable, why GPR projects totaling at least 20 percent of the grant were not able to be funded. Any recipient not meeting the 20 percent requirement must outline in the Annual Report how it will expand its GPR selection for the following grant cycle.

2. Rural or Financially Distressed Communities

If a recipient has not offered a public solicitation to request subaward project applications in the past 12 months, then no later than 6 months after the date of award, a recipient must offer a public solicitation for project requests. To the extent sufficient eligible project applications are available, recipients shall use at least 25 percent of their allotted funds to carry out eligible projects in rural communities with populations of 10,000 or less and/or financially distressed communities that meet affordability criteria established by the state after public review and comment per 33 U.S.C. § 1301(f)(2)(B)(i). Of this 25 percent, recipients shall ensure that at least 60 percent of this amount is used to carry out projects in rural communities to the extent there are sufficient eligible project applications. This equates to a minimum of 15% of the total federally awarded amount.

e.] DOMESTIC PREFERENCE REQUIREMENTS

1. American Iron and Steel

The recipient agrees that treatment works projects must comply with the American Iron and Steel requirement which provides that the iron and steel products used in the project must be produced in the United States, unless a waiver is granted.

(a) Definitions. As used in this award term and condition—

(1) "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) *Steel* means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements the Water Resources Reform and Development Act of 2014 (WRRDA) by requiring that all iron and steel products used for a project for the construction, alteration, or repair of a treatment work are produced in the United States except as provided in paragraph (b)(2) and (b)(3) of this section and condition.

(2) This requirement does not apply with respect to a project if a State agency approves the engineering plans and specifications for the project, in that agency's capacity to approve such plans and specifications prior to a project requesting bids, prior to January 17, 2014.

(3) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that:—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) *Request for a Waiver under (b)(3)*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(3) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(3) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the FY 2015 Water Resource Reform and Development Act.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

2. Build America, Buy America (BABA) Act

The recipient agrees to comply with the BABA Act requirements in the Infrastructure Investment and Jobs Act, P.L. 117-

58, §§ 70911-70917, as described in the EPA General Terms and Conditions. These requirements do not supersede the

American Iron and Steel requirement; both requirements apply and work in conjunction.

f.] WAGE RATE REQUIREMENTS - DAVIS-BACON (DB)

For the purposes of this term and condition, each recipient of the grant award under CWA 221 shall provide reasonable assurance that all laborers and mechanics employed in the performance of the project for which the assistance is provided, including those employed by contractors or subcontractors, will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of part A of subtitle II of title 40, United States Code (commonly referred to as the 'Davis-Bacon Act'). Recipients with questions regarding when DB applies, obtaining the correct DB wage determinations, DB contract provisions, or DB compliance monitoring, should contact the EPA Project Officer for guidance.

g.] SIGNAGE REQUIREMENT

The recipient is required to place a sign at construction sites supported under this award displaying the EPA logo in a manner that informs the public that the project is funded in part or wholly by the EPA. The sign must be placed in a visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. Recipients are required to comply with the sign specifications provided by the EPA Office of Public Affairs (OPA) available at: <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>. If the EPA logo is displayed along with the logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. As provided in the sign specifications from OPA, the EPA logo is the preferred identifier for assistance agreement projects and use of the EPA seal requires prior approval from the EPA. To obtain the appropriate EPA logo or seal graphic file, the recipient should send a request directly to OPA and include the EPA Project Officer in the communication. Instructions for contacting OPA is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo>.

State agencies and agencies of political subdivisions of states must comply with 2 CFR 200.323, Procurement of recovered materials when procuring signage for projects funded by EPA assistance agreement. EPA encourages other recipients to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the EPA logo or seal) into the appropriate non-English language(s). The costs of such translation are allowable, provided the costs are reasonable.


h.] GEOSPATIAL DATA STANDARDS

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

i.] USE OF LOGOS

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must not be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the [Name of Recipient or Name of Subawardee] received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

END-OF-DOCUMENT

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 98T70701 MODIFICATION NUMBER: 1 PROGRAM CODE: SO		DATE OF AWARD 03/19/2024
		TYPE OF ACTION Augmentation: Increase		MAILING DATE 03/22/2024
		PAYMENT METHOD: ASAP		ACH# 90020
		RECIPIENT TYPE: State		
RECIPIENT: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814 EIN: 68-0281986		PAYEE: CA State Water Res Ctrl Brd 1001 I Street Sacramento, CA 95814		
PROJECT MANAGER Jennifer Toney 1001 I Street Sacramento, CA 95814 Email: Jennifer.Toney@waterboards.ca.gov Phone: 916-322-9598		EPA PROJECT OFFICER Sara Jacobs 75 Hawthorne Street, WTR-3-3 San Francisco, CA 94105 Email: Jacobs.Sara@epa.gov Phone: 415-972-3564		EPA GRANT SPECIALIST Danielle Tucker Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: Tucker.Danielle.e@epa.gov Phone: 415-972-3871
PROJECT TITLE AND EXPLANATION OF CHANGES Sewer Overflow and Stormwater Reuse The agreement provides funding to support the California State Water Resources Control Board project to provide subawards to local municipalities in California for costs associated with the planning, design, and construction of eligible water quality improvement and protection projects. This amendment provides incremental federal funding in the amount of \$4,992,780 which brings the grant to full funding.				
BUDGET PERIOD 07/01/2023 - 06/30/2027		PROJECT PERIOD 07/01/2023 - 06/30/2027		TOTAL BUDGET PERIOD COST \$ 9,520,780.00
				TOTAL PROJECT PERIOD COST \$ 9,520,780.00
<p align="center">NOTICE OF AWARD</p> <p>Based on your Application dated 05/11/2023 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 4,992,780.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 9,520,780.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS U.S. EPA, Region 9, U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS U.S. EPA, Region 9, Water Division, WTR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105		
<p align="center">THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</p>				
Digital signature applied by EPA Award Official for Carolyn Truong - Grants Management Officer by Angela Mendiola - Award Official Delegate				DATE 03/19/2024

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 4,528,000	\$ 4,992,780	\$ 9,520,780
EPA In-Kind Amount	\$ 0	\$ 0	\$ 0
Unexpended Prior Year Balance	\$ 0	\$ 0	\$ 0
Other Federal Funds	\$ 0	\$ 0	\$ 0
Recipient Contribution	\$ 0	\$ 0	\$ 0
State Contribution	\$ 0	\$ 0	\$ 0
Local Contribution	\$ 0	\$ 0	\$ 0
Other Contribution	\$ 0	\$ 0	\$ 0
Allowable Project Cost	\$ 4,528,000	\$ 4,992,780	\$ 9,520,780

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.447 - Sewer Overflow and Stormwater Reuse Municipal Grant Program	Clean Water Act: Sec. 221	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2409W33013	23	E4	09L2	000BM6	4159	-	-	\$ 4,992,780
									\$ 4,992,780

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 140,874
2. Fringe Benefits	\$ 67,902
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$ 0
7. Construction	\$ 0
8. Other	\$ 9,140,724
9. Total Direct Charges	\$ 9,349,500
10. Indirect Costs: 10.00 % Base 100	\$ 171,280
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$ 9,520,780
12. Total Approved Assistance Amount	\$ 9,520,780
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 4,992,780
15. Total EPA Amount Awarded To Date	\$ 9,520,780

Administrative Conditions

All Administrative Terms and Conditions Remain the Same.

General Terms and Conditions

The General Terms and Conditions of this agreement are updated in accordance with the link below. However, these updated conditions apply solely to the funds added with this amendment and any previously awarded funds not yet disbursed by the recipient as of the award date of this amendment. The General Terms and Conditions cited in the original award or prior funded amendments remain in effect for funds disbursed by the recipient prior to the award date of this amendment.

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.

These terms and conditions are binding for disbursements and are in addition to or modify the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

Programmatic Conditions

All Programmatic Terms and Conditions Remain the Same.

END-OF-DOCUMENT